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U.S. sets its plan to unload Citi stake

By Sarah N. Lynch

WASHINGTON—The U.S. Treasury Department said Monday that it plans to sell roughly 7.7 billion **Citigroup** Inc. common shares this year "in an orderly and measured fashion."

The announcement spurred heavy activity in Citigroup shares; the stock was down more than 3% at $4.17 in early afternoon New York trading. At that price, the sale of the Treasury's 27% stake in the bank would reap roughly $32 billion.

The Treasury received the common shares as part of an agreement in 2009, in exchange for Citi preferred stock. It acquired the preferred shares under the Troubled Asset Relief Program, or TARP, which helped bail out financial firms during the financial crisis.

Morgan Stanley has been retained by the Treasury as a capital-markets adviser in connection with the government's Citigroup position.

As of March 24, a Treasury report said the U.S. department's total investment in common stock and warrants in Citigroup was valued at $25

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Moscow subway blasts kills dozens

Agence France-Presse/Getty Images

Two bombs ripped through packed Moscow trains during the morning rush hour Monday, killing at least 38 people and wounding dozens more, many seriously. The chief of Russia's Federal Security Service said the preliminary investigation indicated the suicide attacks were carried out by rebels from the North Caucasus region. Above, firefighters evacuate a wounded woman. **Article on page 4.**

Rio's Hu sentenced to 10 years

By James T. Areddy

SHANGHAI—The closely watched trial here of four employees of **Rio Tinto** PLC ended Monday with a 10-year prison sentence for the Australian who spearheaded sales for the Anglo-Australian miner in its biggest market, and sentences of seven to 14 years for three of his colleagues.

Rio Tinto—which had previously defended its employees—swiftly fired them, and said there was "clear evidence" they took bribes. The dramatic conclusion to the politically charged trial, at a time of heightened concern about the environment for foreign business in China, is likely to further distress companies weighing risks in their China strategies.

The Shanghai No. 1 Intermediate People's Court found Australian national Stern Hu guilty of charges he accepted around $935,000 in bribes from steelmakers and stole commercial secrets that undermined China's steel industry, the world's largest. Mr. Hu must pay fines of one million yuan, or $146,000, in addition to serving 10 years in prison, starting with his detention in July, 2009.

Stephen Smith, Australia's foreign minister, didn't challenge the verdict but called the sentences "very harsh" following efforts by his government to quietly diffuse charges against a citizen and one of his most important companies. Mr. Smith played down the likelihood of a substantial impact on Australia-China relations, but said he was concerned at how charges of stealing commercial secrets were tried behind closed doors, saying, "There are serious unanswered questions on which the international business community will want to pursue with China."

China's aggressive prosecution of employees of one of the most profitable foreign companies operating on its soil marked a fresh turn in a corruption battle that has un-

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■ Investors fear a Chinese political agenda 30

Deals fail to curb China's reserves

By Andrew Batson

BEIJING—Overseas acquisitions such as **Zhejiang Geely Holding Group** Co.'s $1.8 billion purchase of the Volvo car brand from **Ford Motor** Co. are helping Chinese companies acquire new technology and global market share. One thing they are not doing, though, is meaningfully affecting China's buildup of foreign-currency reserves.

That is a potential headache for policy makers in Beijing, who have promoted overseas mergers and acquisitions for years, partly in hopes that they could mitigate the effects on the economy of a rapid inflow of currency from exports and foreign investment. The faster that foreign currency comes into China, the harder the central bank has to work to prevent that surge of cash from translating into domestic inflation or asset bubbles.

Associated Press/Xinhua

Geely Chairman Li Shufu speaks at a news conference on Sunday.

The reality is that doing large-scale foreign deals is still so difficult for China, and the inflows of foreign money into China are still so rapid, that headline-grabbing mergers are doing little to alter the economic equation. China added $453 billion to its official foreign-exchange reserves in 2009—more than the $418 billion it did in 2008—despite the largest Chinese purchase on record, **Sinopec Group**'s $7.2 billion deal for Canada's Addax Petroleum Corp.

"Predictions that China would buy up the world and turn into a net exporter of direct investment did not materialize," Daniel Rosen, an economist at advisory firm Rhodium Group, wrote recently on the Journal's China Real Time Report blog.

Completing an overseas acquisition remains difficult and time-consuming for Chinese companies—not least because of an arduous approval process that usually requires vetting by multiple Chinese government agencies in addition to navigating the usual commercial obstacles. The list of failed big deals is long. According to figures compiled by the Heritage Foundation for deals valued at $100 million or more, 40 acquisitions of foreign businesses by Chinese companies failed in 2005

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■ World Bank chief sees opportunity for China 3

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What's News—

* * *

Business & Finance

■ **China's efforts to make** its economy more consumer-driven could become an opportunity for Beijing to revalue its currency, the World Bank's Zoellick said. He said China recognizes its industrial structure is out of whack, with profits accruing to state-owned enterprises accounting for much of its high savings rate. **3**

■ **Toyota plans to license** hybrid technologies used in its Prius car to Mazda. Toyota also said its February output soared. **17**

■ **Hong Kong is revising laws** to make listed companies disclose price-sensitive information, closing a loophole but falling short of calls to make nondisclosure a criminal offense. **17**

■ **China's central bank named** three prominent scholars to its monetary-policy committee, adding outside expertise as it faces tough decisions on its currency and interest rates. **29**

■ **China's national pension fund** aims to invest more abroad as it tries to more than double its assets to nearly $300 billion over the next five years. **20**

■ **U.S. stocks climbed**, led by a surge in the energy sector, as the dollar weakened and oil prices rose. Chinese stocks advanced as investors anticipated the start of trading in stock-index futures. **25**

■ **Greece is looking to raise** as much as $6.71 billion from its third syndicated bond offering of the year, four days after the EU announced a rescue plan in case of a Greek insolvency. **23**

■ **Kumho Industrial plans** a $1.98 billion rights offering that will allow the construction firm to avoid delisting and help creditors restructure its debts. **19**

■ **Macau casino operator SJM** said the government's new policy to cap gambling tables won't affect the firm in the short term. **21**

Reuters

Protesters who want Thai Prime Minister Abhisit Vejjajiva to call elections were able to watch him talking with their leaders during another rally Monday in Bangkok. The televised negotiations haven't produced a solution. On Monday, the premier offered elections by the end of the year, but protest leaders want him to dissolve parliament within 15 days.

■ **Telstra promoted Stuart Lee** to assess challenges facing the company as negotiations continue over the firm's part in Australia's new broadband network. **18**

■ **Japanese retail sales posted** their biggest gain in 13 years in February, as incentive programs for fuel-efficient cars and flat-screen TVs continued to underpin consumer activity. **18**

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■ **Yum Brands' Taco Bell** is off to a promising start in India with thousands visiting the fast food chain's first Indian outlet daily. **20**

* * *

World-Wide

■ **Twin subway blasts killed** at least 38 people in Moscow. Officials blamed female suicide bombers backed by rebels from the North Caucasus, but no group claimed responsibility. **4**

■ **Myanmar's leading opposition** party said it will boycott planned elections, dealing a blow to the military regime as it seeks to bolster its legitimacy by returning Myanmar to civilian rule. **6**

■ **Divers reached the wreckage** of a South Korean patrol boat that sank Friday but were unable to get inside to search for the 46 sailors still missing. **4**

■ **The Kandahar offensive** in Afghanistan will look completely different from the first U.S. surge offensive in Marjah, officials said. **6**

■ **A Pakistani court rejected** a petition by disgraced scientist Abdul Qadeer Khan that challenged curbs on his movements.

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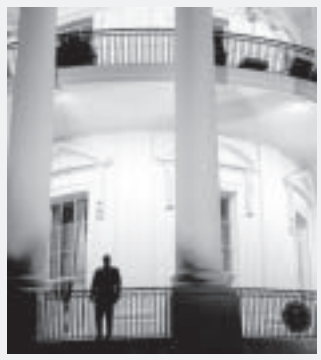

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Opening for China yuan

World Bank chief sees opportunity for Beijing to revalue currency

By Bob Davis

China's efforts to make its economy more consumer-driven could become an opportunity for Beijing to revalue its currency, said World Bank President Robert Zoellick.

In an interview, Mr. Zoellick said China increasingly recognizes that its industrial structure is out of whack, with high profits accruing to state-owned enterprises accounting for much of the country's extraordinarily high savings rate. Part of the reason for those profits, he said, is that state-owned Chinese banks lend to other state-owned companies at very low rates and pay Chinese depositors very low rates of interest. World Bank chief economist Justin Lin, a Chinese national, also has attributed the profits to wages the companies pay, which he said are "depressed compared to the potential."

"The real savings outlier is the retained earnings of some of the companies, especially of the state-owned enterprises," Mr. Zoellick said. "This creates a win-win opportunity for change, which the Chinese recognize as a possibility. But these structures aren't easy to change."

'This creates a win-win opportunity for change. ... But these structures aren't easy to change.'

To the degree that China remakes its society to depend more on consumer spending, Mr. Zoellick said, that ought to reduce the savings rate—and also could become an opportunity to revalue the currency. That is because a stronger renminbi—also known as the yuan—would increase the purchasing power of ordinary Chinese. An appreciating currency would also send a signal to companies to focus future investment and capacity more toward domestic demand, whose purchasing power is being boosted, rather than producing for export.

"People who focus on structural explanations say a quick change in currency appreciation is not going to lead to automatic shifts in industrial structure," he said. "That's correct, but it's also fair say that a price change"—an appreciating currency—"would signal the changes you have to make in industrial structure."

The U.S., Europe and international economic institutions have long been pressing China to revalue its currency—and to persuade Beijing that it is in its interest to do so. The efforts have been crescendoing as the U.S. government is due, by April 15, to decide whether China "manipulates" its currency.

An affirmative finding would require the U.S. to negotiate with China on the issue, as it has long been doing. But it could add impetus to congressional efforts to penalize Chinese imports into the U.S.

Mr. Zoellick's remarks weren't timed to be part of a U.S. offensive; rather he answered questions posed to him by The Wall Street Journal. Nevertheless, they add to the weight of opinion that China can afford to increase the value of the yuan against the dollar. In a March update, the World Bank estimated China's economy would grow 9.5% this year, after an 8.7% gain last year.

China's exchange rate appreciated 12.3% from July 2005 to early March 2010, the World Bank said, and is now at roughly the same level as it was in 2000. The bank said that strengthening the exchange range could help Beijing "reduce inflationary pressures" and head off real-estate bubbles.

As part of an initiative by the Group of 20 industrial and developing nations, China, the U.S. and other countries have agreed to "rebalance" their economies—meaning the U.S. will save more and import less, and China will do the opposite. Making such changes, though, is difficult for political and economic reasons.

"If I would make a bet which country is going to make changes more quickly—China or the U.S.—I'm not sure where I'd come down," said the 56-year-old Mr. Zoellick, who before taking the World Bank post in 2007, spent decades as a top U.S. official.

Mr. Zoellick said the recent recession, where the U.S. and rich countries in Europe stumbled while China and India continued to grow, showed "the world could be moving toward a structure of the international economy that would have multiple poles of growth."

However, the ebbing of the crisis, he said, can make it more difficult to reach international agreement on a host of issues.

European Pressphoto Agency

World Bank Chief Robert Zoellick, speaking this year in Berlin.

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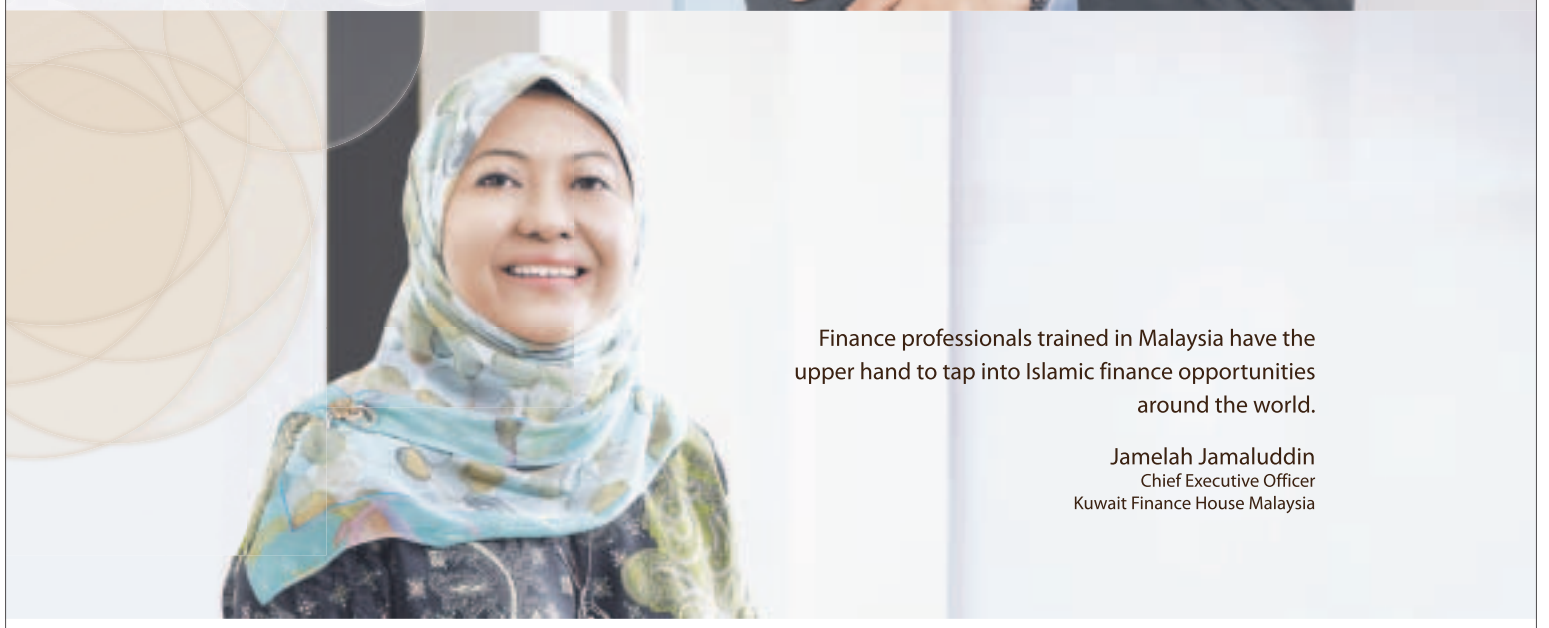
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WORLD NEWS

Moscow subway blasts kill dozens

Twin blasts, Russian capital's deadliest in six years, are blamed on female suicide bombers from North Caucasus

MOSCOW—Two blasts blamed on female suicide bombers ripped through packed Moscow trains during the morning rush hour Monday, killing at least 38 people, wounding dozens more and filling two stations with dense smoke as panicked commuters scrambled to escape.

By ***Richard Boudreaux, Jacob Gronholt-Pedersen*** *and* ***William Mauldin***

The chief of Russia's Federal Security Service said the preliminary investigation indicated the attacks were carried out by rebels from the North Caucasus region, where Islamic militancy has spread in recent years from a separatist movement in Chechnya into nearby republics.

No group claimed responsibility for the blasts, the deadliest attack on Moscow in six years.

The first explosion, a few minutes before 8 a.m. local time, tore through the second carriage of a subway train as it stood with doors open at Lubyanka station, beneath the headquarters of the Federal Security Service, the KGB's main successor agency. At least 23 people were killed, officials said.

"An explosion thundered. People ran, covered in blood," Valery Svirin, a commuter, told Russia's Channel One television. "When I went upstairs I saw people lying on the ground. A man was bandaging a woman. She was unconscious. There was one dead body there."

About 40 minutes later on the same subway line, a blast in the second carriage of a train waiting at the Park Kultury station, opposite Gorky Park, killed at least 12 more people.

Sergei Shoigu, the minister for emergency situations, said 102 people were injured in the blasts.

President Dmitry Medvedev ordered security tightened and airports put on alert against what he called an attempt to destabilize the country. "We shall continue operations against terrorists without wavering and to the end," he said in televised remarks.

AFP/Getty Images

A wounded man makes a phone call outside the Park Kultury metro station Monday, site of the second of two explosions on Moscow's busy subway system.

Attacks blamed on Chechen separatists shook Moscow and other parts of central Russia for years until 2004, before Russian forces claimed to have subdued the rebels. Since then, the conflict and the bombings had all but stopped in and around the Russian capital, even as violence spread and intensified in the Caucasus republics of Dagestan and Ingushetia.

In November, Chechen Islamists claimed responsibility for a November bombing that killed 26 people aboard a high-speed train between Moscow and St. Petersburg. In recent weeks, Russian security services have killed several Islamist militant leaders in the Caucasus, including Said Buryatsky, who is blamed by the government for that bombing.

Those killings raised fears of retaliatory strikes by the militants. Chechen rebel leader Doku Umarov warned last month in a televised interview: "If Russians think that this war is happening only on television, somewhere far off in the Caucasus and will not touch them, we intend to show them that this war will return to their homes."

With Monday's subway bombing, Muscovites suddenly felt more vulnerable than they had in years. "The terrorists wanted to demonstrate that no one in Russia can feel secure," said Sergei Mironov, the speaker of Russia's upper chamber of Parliament.

Moscow Mayor Yury Luzkhkov told reporters that female suicide bombers had carried out both attacks while on board the trains. Alexander Bortnikov, the Federal Security Services chief, said both bombs were filled with bolts and iron rods.

Female suicide bombers, dubbed "black widows," by Russian media, carried out at least two Moscow subway bombings in 2004, including one in August that killed 10 people. That was the last known terrorist attack on the capital until Monday.

Vladimir Markin, a spokesman for the federal prosecutor's office, said authorities spotted a female suspect on a surveillance video in the Park Kultury train. "According to pieces of the body that we found," he said, "it seems that the bomb was placed at the level of the belt."

An unidentified commuter who was on the train at Park Kultury told RIA-Novosti news agency: ''Somewhere in the first or second carriage there was a loud blast. I felt vibrations reverberate through my body. People were yelling like hell. In about two minutes everything was covered in smoke."

Helicopters, rarely seen above Moscow, took some of the wounded to hospitals. Following the blasts, some streets in central Moscow were relatively quiet, while others were snarled with traffic, and some streets were closed.

Moscow's subway system is one of the world's busiest, carrying about seven million passengers on an average workday. It is essential for transporting Muscovites since central streets and highways are regularly choked with traffic.

—Ira Iosebashvili contributed to this article.

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Divers reach wreckage of South Korea patrol boat

BY EVAN RAMSTAD

SEOUL—Divers on Monday reached the wreckage of a South Korean patrol boat that sank on Friday night but were unable to get inside to search for 46 sailors still missing.

Meanwhile, South Korea's defense minister told members of parliament there is a chance the ship was a struck by an old North Korean mine that drifted southward. Also Monday, four ships and an elite diving crew from the U.S. Navy arrived to help the South Korean Navy with the search effort.

The patrol boat Cheonan, with a crew of 104, split in two and sank after an explosion rocked the ship's stern while it was on routine maneuvers near Baengnyeong Island, South Korea's western-most territory in the Yellow Sea.

The island is just a few miles south of the maritime border that separates the two Koreas, and the ship is part of a fleet that patrols the area. The North Korean coastline is about 10 miles, or 16 kilometers, north of the island.

Reuters

South Korean navy commander Kim Dong-Shik, center, explains rescue efforts.

South Korean officials have cast doubt on suspicions that North Korea was involved, but haven't ruled it out. In a hearing at the national assembly, Defense Minister Kim Tae-young told lawmakers there weren't signs of unusual activity in North Korea before the incident.

But he said one theory that is being considered is that an old North Korean mine drifted southward and struck the boat. He told lawmakers the South Korean Navy in a handful of instances found such mines, some of which date back to the Korean War of the 1950s. South Korea hasn't placed mines in the maritime border area, Mr. Kim said.

Separately, defense officials in written filings to the assembly said North Korea has increased its air surveillance of the maritime border area since the Cheonan sank.

At a news conference, South Korean defense officials also disclosed new details, including that the stern of the Cheonan settled on its left side in 150 feet, or about 45 meters, of water just a short distance from where the explosion happened. The bow, which took longer to go down, settled about four miles, or six kilometers, away in an overturned position with part of its hull visible in the water.

South Korean Navy ships rescued 58 sailors in the first few hours after the explosion. Most of the missing sailors were working or asleep in the stern section.

"We have not found any survivors yet," Won Tae-jae, a defense ministry spokesman, said late Monday. "This afternoon, our divers knocked on parts of the stern of the sunken ship but got no response from inside."

The South Korean Navy allowed 28 private divers to join in the effort after relatives of the missing sailors complained that the work was moving too slowly.

Four U.S. ships—including the USNS Salvor, a rescue-and-salvage ship that includes an elite team of 16 divers—arrived to help. Two destroyers, the USS Curtis Wilbur and USS Lassen, and a cruiser, the USS Shiloh, also are providing divers, helicopters and command support.

"We were asked to help by the South Korean government and we will remain there for as long as they need us," said Lt. Anthony J. Falvo, spokesman for the U.S. Seventh Fleet in Japan.

—Jaeyeon Woo contributed to this article

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WORLD NEWS: ASIA

Party will boycott Myanmar election

National League for Democracy's withdrawal from vote is setback to military regime's quest to bolster legitimacy

By a Wall Street Journal Reporter

Myanmar's leading opposition party said it will boycott national elections planned for this year, dealing a blow to the country's military regime as it seeks to bolster its legitimacy by returning Myanmar to civilian rule.

The decision by the National League for Democracy, led by Nobel laureate Aung San Suu Kyi, raises the pressure on foreign governments to decide whether they can accept an election many observers believe will be fatally flawed. Previously, diplomats from the U.S. and some of its allies have indicated they can't recognize any election in Myanmar that doesn't involve the participation of Ms. Suu Kyi and the NLD.

Other countries, including Myanmar neighbors such as Thailand, had earlier signaled they might be willing to accept a flawed vote as long as they are persuaded that Myanmar is at least moving in the direction of multiparty democracy. But even longtime friends of Myanmar's military regime—which has ruled since 1962—may find it hard to endorse the vote if the NLD sits out entirely, analysts say.

Speaking after a daylong meeting of NLD delegates, the party's spokesman, Nyan Win, said the party had decided not to register for the vote because the rules were unfair, the Associated Press reported.

Those rules, announced this month by the regime, require all political parties to register before the first week of May. More importantly, they also bar Ms. Suu Kyi—who remains under house arrest—from participating, and disqualify any organization that has members in prison. Many top NLD officials are incarcerated.

Reuters

Officials of Ms. Suu Kyi's NLD told reporters Monday in Yangon that the party won't register for Myanmar's election.

"We will continue to exist politically by not registering," Nyan Win said. "We will survive as long as we have public support."

Myanmar's military junta is organizing the vote—whose date hasn't been announced—as part of a "road map to democracy" designed to enhance its legitimacy at home and defuse criticism from abroad. The NLD easily won Myanmar's last elections, in 1990, and should have assumed power soon after. But the ruling military junta ignored the results and imprisoned many NLD leaders. The U.S. and Europe responded with sanctions.

Analysts say they believe some top junta leaders realize their country's current status as a pariah state—at least among Western nations—is unsustainable, especially insofar as it deters investment. But opposition groups and human-rights activists doubt the military will be willing to surrender much control, and it is widely feared the election will lack safeguards to ensure it is free and fair.

Myanmar has long had some of the tightest controls on free speech in the world and is accused of widespread human-rights violations, including the arbitrary arrest and torture of political opponents.

Attempts to reach the Myanmar government, which rarely speaks to foreign journalists, were unsuccessful.

The NLD's decision also presents major risks for the opposition. Many of the country's most-visible dissidents now face sitting on the sidelines if the regime presses ahead with its vote, as expected, and could find themselves even more powerless to shape the outcome than before. Under Myanmar's election laws, the party ceases to exist if it doesn't register.

Concerns about the NLD's future have intensified in recent weeks amid reports that a number of other, smaller opposition groups—including a loosely organized collection of candidates referred to locally as "The Third Force"—intend to run regardless of what the NLD does.

Although the political views of those candidates remain somewhat unclear, some analysts say they believe they could wind up with some seats in the nation's parliament, allowing them to at least work to change the system from within.

Kandahar offensive to focus on good governance

By Yaroslav Trofimov

KANDAHAR, Afghanistan—The American surge into Afghanistan, which kicked off in February with the capture of Marjah, is moving to Kandahar—a far more valuable prize.

The upcoming operation to secure Afghanistan's second-largest city will look completely different from Marjah, where thousands of U.S. Marines fought their way into rural areas under total Taliban control, say American and Afghan officials drafting the campaign.

"Kandahar is a political problem," Frank Ruggiero, the top U.S. civilian official in southern Afghanistan, explained as he toured the city to prepare the push. "And the campaign in Kandahar will be led by governance."

No combat is needed for coalition or Afghan troops to enter Kandahar city, the Taliban movement's birthplace. Unlike Marjah, this metropolis of one million people has remained under government authority, albeit an increasingly tenuous one, since the Taliban regime's downfall in 2001. U.S. and Canadian patrols rumble through the city every day; a huge coalition base sits in its outskirts.

The Afghan government here, however, has been so weak, predatory and corrupt that more and more Kandaharis have come to view the Taliban as a lesser evil. Changing this perception holds the key to victory in this crucial city—and to the success of the overall surge, coalition officials say.

Reuters

A U.S. sergeant drinks tea with village elders outside Kandahar on Friday.

"The specific objective is to make the Afghan government a more viable option for people to turn to," says Mr. Ruggiero, who holds a rank equal to an army major-general. "It's to show that the government has more relevance to their lives vis-a-vis the shadow governance of the Taliban."

This means that coalition efforts in coming months will focus on establishing functioning government offices, backed up by Afghan and coalition forces, in all of the city's 10 districts, and on bolstering the authority of provincial governor Tooryalai Wesa and Kandahar Mayor Haidar Hamidi by providing them with more staff, and more sway over how international reconstruction money is spent.

Another priority would be to enforce weapons laws, set up new and more efficient checkpoints all over the city, and overhaul the local police that, as Mr. Ruggiero puts it, is often "the entity that instead of providing security is taking from the people."

Within this low-rise, sprawling city, the military surge in coming months is likely to be limited to more U.S. military police and military intelligence troops, and to Afghan army, intelligence and plainclothes police deployments.

Things will be very different, however, in the rural districts surrounding Kandahar city, such as Zhari and Arghandab, where large areas are under full Taliban control. Major Marjah-like clearing operations are likely there this summer, once U.S. reinforcements arrive, American and Afghan officials say.

Afghan officials also see operations in the more-distant districts of Ghorak and Mia Neshin, where the Taliban have completely supplanted government authorities.

There appears to be little appetite for all this fighting among ordinary Kandaharis. "If they put pressure on the Taliban in the districts, the Taliban will retaliate inside Kandahar city—and no one can prevent them," says 26-year-old shopkeeper Mohammad Alam, voicing a widespread concern in a city where Taliban bombings and assassinations occur almost daily.

"During the Marjah operation civilians were in the crossfire. We don't want the same thing to happen in Kandahar."

Kandahar already is succumbing to panicky rumors about the planned campaign, says Gov. Wesa. "They think it will be bombs, tanks, artillery in the city," he says. He says no decision on combat operations will be made without consulting with Kandahar residents first: "We've learned our lessons in Marjah, and hopefully they won't be repeated here."

One of the first such consultations was a meeting between Gov. Wesa, Mr. Ruggiero and a few dozen Kandahar University students last week at the governor's palace—which faces a shrine where Taliban chief Mullah Muhammad Omar wrapped himself in Prophet Muhammad's cloak in 1996, claiming to lead all of the world's Muslims.

Student after student hit the same themes—rule of law, corruption, tribal balance—that Mr. Ruggiero himself explained as the coalition's priorities in a talk to American and Canadian civilian staff at a military base in the city the previous night.

"Kandahar has become a place of terror and bloodshed," bellowed a medical student named Sami. "There must be strict laws for all. At the time of the Taliban, there was good security because the criminals were afraid."

Another student, Fahim, pitched in as Mr. Ruggiero took notes: "There is a huge gap between the government and the people—because the government is incompetent."

A coalition offensive won't bear any fruit until this problem is solved, echoed student Abdurahman. "If there is a good district chief in an area, there won't be any bomb blasts or suicide bombings," he said. "If you get the right people in place, there won't be any need for military operations."

Coalition officials here and in Kabul say they are aware of the popular anger with Kandahar's existing power brokers.

Coalition officials hope to marginalize these power brokers in coming months, or at least to pressure them into moderating their behavior—something that would require direct and active involvement by President Hamid Karzai himself.

WORLD NEWS: ASIA

中国实时报
CHINAREALTIMEREPORT

The Wall Street Journal's China Real Time Report ***(http://blogs.wsj.com/chinarealtime)*** *in the past week looked at the pitfalls of a U.S. push for Internet freedom and a romantic Hong Kong movie centered on cigarette breaks. Excerpts:*

Internet push to backfire?

A group of U.S. legislators announced the launch of a Global Internet Freedom Caucus last week to highlight the issue and develop legislation, part of an effort to make Internet freedom part of U.S. government policy.

But **Google**'s experience in China over the past two months has led some to question whether such efforts helps or hurts the government's cause, even as Google urges legislators to become more involved.

Among Chinese Internet users, some prominent commentators have outspokenly praised Google as a champion for free expression, but observers say Chinese-language discussion on the topic is now laced with skepticism because of blurred boundaries between the Internet giant and the U.S. government.

"Even if it is their goal to throw open the flood gates of information freedom, I don't think the best way to do it is to plant an American flag on that endeavor," said Kaiser Kuo, consultant for Chinese online-video Web site **Youku.com**. "Anyone in China who wants to look for evidence that the U.S. wants to use the Internet to undermine the Communist Party's rule is going to find ample evidence of this."

Google has been criticized in China since its Jan. 12 announcement for waging an "ideology war," for "cultural imperialism" and for being a lapdog of the U.S. government. Meanwhile, U.S. Secretary of State Hillary Clinton mentioned Google by name in her January speech about Internet freedom and Congress has appropriated $35 million for State Department grants to organizations that develop technology to circumvent Web censorship.

Kuo said moves to fund the development of circumvention software to help Internet users get around blocks set up by their governments give the impression the government is funding something "that looks deliberately subversive."

"Is that going to win people over?" he said. "It sounds preposterous to Americans, but how can it look otherwise from Beijing?"

Still, some of the testimonies submitted for the hearing, including Google's and one by Rebecca MacKinnon, visiting fellow at Princeton University's Center for Information Technology Policy, suggested the support of the development of anti-censorship technology should be stepped up.

Experts say it is unlikely that circumvention technology, like tools to help people access Web sites blocked by China's "Great Firewall," would have a major, immediate impact on mainstream Chinese users, who mostly use the Internet for entertainment like music, games, and social networks. China's Internet is robust, despite tight controls.

—Loretta Chao

Of puffs and romance

Actors Shawn Yue and Miriam Yeung joined director Pang Ho-cheung last week for the premiere of their new movie at the Hong Kong International Film Festival, "Love in a Puff," an off-beat comedy about two strangers who strike up a romance while slipping out for daytime cigarette breaks.

Dean Napolitano/The Wall Street Journal

Director Pang Ho-cheung, left, with actors Miriam Yeung and Shawn Yue.

As every smoker in Hong Kong is painfully aware, a law that went into effect Jan. 1, 2007, bans people from lighting up in most public places. It's now a common sight around the city to see office workers duck out for a quick drag, gathering around the outdoor ash trays atop public trash bins. (They're colloquially referred to as a "hot pot.")

It's in this chummy environment where co-workers bond while swapping bits of office gossip.

Pang, who also wrote the script, came up with the idea after visiting a smoker friend who seemed to know all the women in the building where he worked. "I was jealous," the 36-year-old director said.

Yue, a veteran of the "Infernal Affairs" trilogy, says the role in a small-scale romantic comedy was a welcome break from his usual cop-and-gangster flicks. And he jumped at the opportunity to work with Pang, a filmmaker who's built a following for his original takes on Hong Kong's particular social oddities. *—Dean Napolitano*

FOOD COMPANIES COME TO THIS FRENCH VILLAGE TO WORK ON SECRET RECIPES. BUT YOU DIDN'T HEAR IT FROM US.

The search for better tasting foods is a never-ending pursuit for food companies. Their quest often brings them to Grasse, France, where Cargill operates one of its many flavor facilities around the world. Here, flavorists team with application and sensory experts to create unique flavor profiles that give food and beverage companies their proprietary recipes. It's both art and science. And though we work with thousands of companies and products all over the world, their secrets are safe with us. This is how Cargill works with customers.

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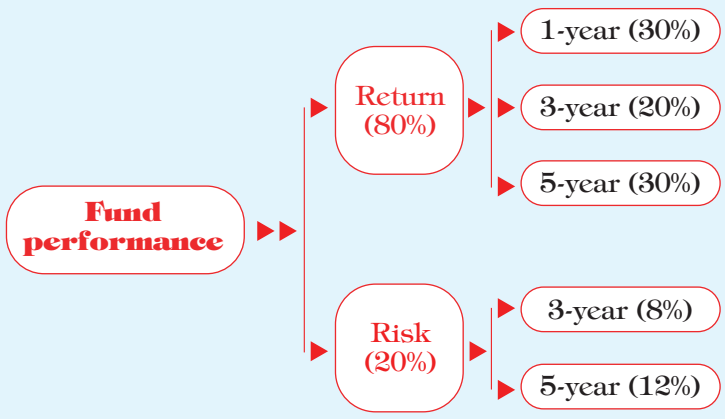
ADVERTISING SUPPLEMENT

MORNINGSTAR 2009 Fund Awards (Singapore) ®

Congratulations to the Morningstar Fund Award (Singapore) Winners

This is the eighth year Morningstar presents the annual Fund Awards in Asia. Many of you may have participated with us in this remarkable annual event. If you're not, you can visit our website to explore all the details, but suffice it to say that our overwhelming objective has been to recognize those funds that had good performance in 2009, but most importantly that also delivered strong risk-adjusted returns for investors over the long haul, relative to appropriate benchmarks.

We know that there's often interest in who has fared best over a given year or three years, but such figures are often very poor predictors of who will do well in the future. We therefore focused on one-, three-, and five-year performance, looking at how funds fared relative to their Morningstar Category peers, after adjusting for risk. To adjust for risk, we used the Morningstar Risk measure, a state-of-the-art measure which uses utility theory to penalize funds more for downside variation in returns than for upside volatility, in keeping with actual investor concerns.



More than the quantitative selection criteria summarized in the flowchart here, we also incorporate qualitative ones. For example, if our fund analysts collectively believe that a fund's fundamental risks are just too high for performance to be sustainable, or if we think changes to the management team or structure of the fund could negatively impact future results, we won't give that fund an award.

Our new forward looking Qualitative Rating also helps in our qualitative checks. Experiences of our on-the-ground analysts and intensive manager meetings allow us to have better assessment to funds' fundamentals. Our Five Pillar approach (People, Process, Parent, Performance and Price) of the Qualitative Rating also gives us a more organized way to evaluate funds' qualities.

So without further ado, here are the winners for the 2009 Morningstar Fund Category Awards. We won't detail each fund here, but investors will notice a common thread: Many of the funds selected exhibited a fundamentally-oriented, long-term approach to investing, and a willingness to go against the crowd. That's no accident: following the herd is rarely a recipe for success, whilst original research and the courage to back your ideas with significant assets is often what sets the very best managers apart from the pack.

Morningstar Fund Awards	Award Winners	Morningstar Rating	Qualitative Rating
Emerging Markets Equity	First State GEM Leaders	★★★★★	
Europe Large-Cap Equity	Fortis L Fund Equity Growth Europe	★★★	Superior
Global Large-Cap Equity	ING (L) Invest Global Opportunities	★★★★★	Superior
ASEAN Equity	JF Singapore	★★	
U.S. Large-Cap Equity	FTIF - Franklin U.S. Equity Fund	★★★★	
Asia-Pacific Equity	FTIF - Templeton Asian Growth Fund	★★★★	
Japan Large-Cap Equity	Fidelity Funds - Japan Advantage Fund	★★★★★	
Global Bond	FTIF - Templeton Global Total Return Fund	★★★★★	
High Yield Bond	AllianceBernstein - Global High Yield Portfolio	★★★	

For more information, please visit: http://hk.morningstar.com/fundawards/

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DEADLINE EXTENDED APRIL 9

Mortgage pain likely to be blunted

As adjustable-loan payments move higher, less damage is expected as lower rates, modifications mute shocks

By Nick Timiraos

The struggling U.S. housing market appears as if it will sustain less damage than expected this year from a spike in the monthly payments on hundreds of thousands of exotic adjustable-rate mortgages.

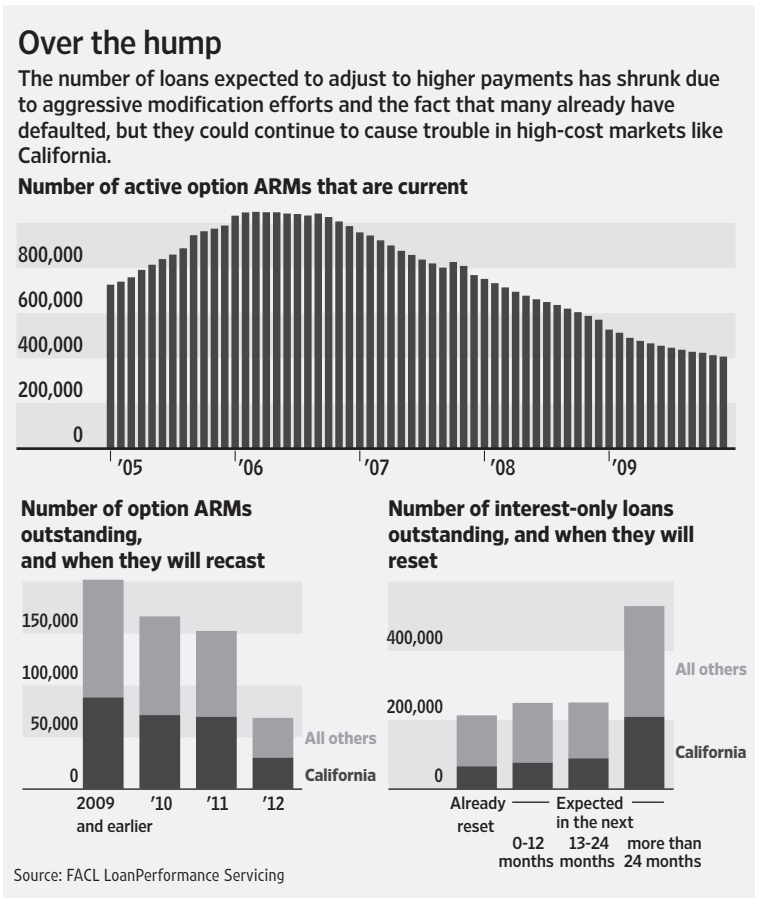
The number of such loans scheduled to adjust to higher payments this year has shrunk. Lower-than-expected interest rates, coupled with efforts to aggressively modify loans, are likely to mute payment shocks for some borrowers. Many others already have defaulted on their loans even before their payments adjusted upward.

"The peaks of the reset wave are melting very quickly because the delinquency and foreclosure rates on these are loans are already very high," says Sam Khater, senior economist at First American CoreLogic.

The housing market still faces enormous challenges, and a full recovery is likely to take years. The threat posed by resetting payments, Mr. Khater says, is "a drop in the bucket" compared to problems posed by the sheer volume of borrowers who owe more than their homes are worth, known as being "under water."

Still, for years, housing analysts have worried about the threat of an aftershock from a big spike in mortgage defaults from so-called option adjustable-rate mortgages, which require low minimum payments before resetting to sharply higher levels, and "interest-only" loans, for which no principal payments are due for several years.

Most option-ARM borrowers made minimal payments, so their loan balances grew. That sparked worries about what would happen when those loans "recast" and begin requiring full payments on larger loan balances, usually five years from when they were originated or when the balance reached a designated cap.



Option ARMs may be among the most likely to benefit from the White House plan, announced on Friday, to force banks to consider writing down loan balances when modifying mortgages. Until now, the administration's Home Affordable Modification Program, or HAMP, has focused on lowering monthly payments by reducing interest rates and extending loan terms to 40 years.

A separate program could benefit borrowers who are current on their loans but under water by allowing investors to refinance those borrowers into loans backed by the Federal Housing Administration. Investors are most likely to refinance the riskiest loans that qualify.

The majority of option ARMs are set to recast over the next two years. But the volume of outstanding loans has fallen sharply because many borrowers, prior to facing higher payments, received modifications, refinanced or defaulted. Option ARM volume peaked at 1.05 million active loans in March 2006. At the end of last year, there were 580,000 loans outstanding, according to First American CoreLogic.

Fitch Ratings estimates that nearly half of all option ARMs that were bundled and sold as securities were 60 days or more delinquent at the end of December, even though just 5% of option ARMs had faced recasts. Fitch estimates that another 7% have been modified.

"The default process has already hit something resembling a peak," says Christopher Thornberg, an economist at Beacon Economics. "How much higher can it actually go?"

The threat of defaults, to be sure, is not going away. It is likely to weigh for years on high-cost housing markets in California and other states that saw an explosion in option ARMs and interest-only loans during the housing bubble.

Today, more than three in four option ARMs are under water, according to Fitch Ratings, and one-third have a combined loan-to-value ratio of over 150%.

Another 500,000 interest-only loans will begin resetting in the next two years. Many have fixed rates and require interest payments only for a five- or seven-year period, then move to adjustable rates and require full principal and interest payments.

But because interest-rate benchmarks are currently so low, interest-only borrowers who face resets this year could see minimal payment increases or even decreases.

Nevertheless, interest-only loans are likely to stress markets for years because so many borrowers are under water and because payments will go up once interest rates begin climbing.

Martha Shickley and her husband, who own a four-bedroom home north of Los Angeles, decided to stop paying their interest-only mortgage last August because they figured they wouldn't be able to afford their payments next year, when their loan will reset. "We're paying expensive rent here on a home that might already be under water and certainly will be soon," says Ms. Shickley.

Ms. Shickley says she has heard nothing from her lender, **J.P. Morgan Chase** & Co., which acquired the loan when it acquired assets from failed lender Washington Mutual Inc. "They haven't even sent us the default notice," she says. J.P. Morgan declined to comment.

For now, she and her husband are living rent free, using the savings to pay off debts. They have applied to their bank for a loan modification, and they hope to pull off a short sale, where the bank will allow the home to be sold for less than they owe. "We're ready to move on with our lives," she says.

Markets increasingly are discounting the likelihood of a default wave from option ARMs because banks with big portfolios have aggressively tried to refinance or modify them.

Wells Fargo & Co., which inherited $120 billion in option ARMs when it bought **Wachovia** Corp. in 2008, says it expects just 528 loans to recast with big payment jumps over the next two years. Wells says it modified loans for some 52,600 borrowers last year that included $2.6 billion in principal write-downs. Most of those borrowers were put into loans that have five- or seven-year interest-only periods.

That won't completely fix borrowers' problems because they will face yet another reset, but it does buy them time. Late last year, banking regulators began telling banks that they shouldn't give borrowers interest-only mortgage modifications in most circumstances.

"There is no relaxing, really," says Brenda English, a homeowner in Reseda, Calif., who had her option ARM modified into a loan with three-year interest-only payments at 4.25%. Her modified payments are around $25 less than what she paid before, but she says she's worried about what happens in three years. "It's just throwing it up in the air and hopefully the market will be better," she says.

Lost faith in U.S. institutions hurts recovery prospects

[The Outlook]

By Jon Hilsenrath

The U.S. has survived a civil war, world wars, terror attacks, depression, recessions, presidential impeachments, assassinations, stock-market crashes, banking crises and housing busts and emerged with its public institutions, like the government, functioning relatively well. Today, its institutions are being put to the test again.

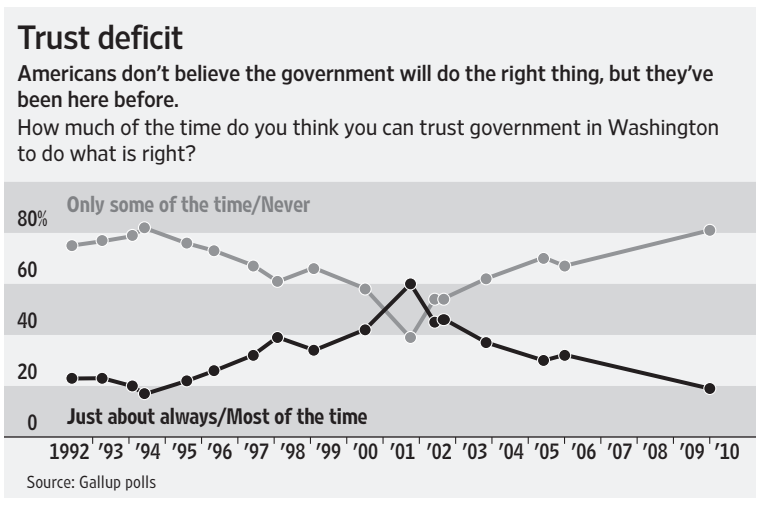
The recent recession and financial crisis have scarred Americans' trust in regulators and the financial firms they oversee. More than two years after the crisis started, Congress is still trying to rewrite the rules for Wall Street.

Moreover, lawmakers have been through a bruising battle on health care that divided them and the nation. After all the debate about soaring health-care costs—a big cause of U.S. fiscal problems—crippling deficits loom. It's enough to make one wonder if something is broken.

"There is a sense that the U.S. political system is really failing to take decisive action on important topics," says Daron Acemoglu, a Massachusetts Institute of Technology professor who studies institutions and the economy.

Mr. Acemoglu has had great faith in U.S. institutions in the past because of their strong track record. But now he, along with many Americans, is worried about whether partisanship and entrenched interests mean our institutions aren't working as well as they used to.

According to a September Gallup poll, 81% of Americans said they trusted the federal government to do what was right only some of the time or never, while 19% said they trusted it most of the time or always. The World Economic Forum ranks the U.S. as the second-most-competitive economy behind Switzerland, but puts its public institutions 34th, behind Iceland and Saudi Arabia. The U.S. gets middling rankings on issues like wasteful government spending, favoritism by government officials and public trust.


Trust deficit
Americans don't believe the government will do the right thing, but they've been here before.
How much of the time do you think you can trust government in Washington to do what is right?
Only some of the time/Never
80%
60
40
20
0
Just about always/Most of the time
1992 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10
Source: Gallup polls

"We have a weak capacity for leadership, high political polarization, massive citizen cynicism, superficial media coverage, and limited understanding of difficult policy issues," writes Darrell West of Washington think tank the Brookings Institution in a new paper titled "Broken Politics." The polarization of politics, among other things, is making it hard to tackle big problems, he says.

This is a big economic issue.

Mr. Acemoglu and other economists have shown a clear link between economic growth and the health of public institutions. If the government can't solve problems such as the budget deficit, if the public doesn't trust information it gets from the media, if investors worry about losing their shirts because of what they see as some arbitrary regulatory change or unfair rulings in court, then hiring, investment and spending tend to suffer.

But despite today's considerable angst, A.T. Kearney recently found in a survey of business executives that the U.S. was the second-most-popular destination for foreign direct investment, behind China.

"The American political system is dysfunctional compared to what?" asks Robert Zoellick, president of the World Bank, in an interview. He says he doesn't buy the argument of institutional decline. "America's trump card is its openness," he says.

The Rio Tinto Lesson

A Shanghai court convicted four Rio Tinto employees yesterday of accepting bribes and stealing commercial secrets in a case involving iron-ore pricing. In a transparent society, that verdict would settle the dispute once and for all, for all parties concerned. But the Rio trial proceedings only amplified the murkiness of doing business in a country with a weak rule of law.

> Another reminder of China's weak rule of law.

Australian citizen Stern Hu and his colleagues were initially charged with stealing state secrets, a charge that carries a possible life sentence. The accusation landed at a time when Chinese steel mills were involved in heated annual iron-ore price negotiations with suppliers. As Hugo Restall explains on a nearby page, Rio's relations with China had deteriorated after Rio wriggled out of pricing contracts in 2008. Rio's shareholders had also spurned a Chinese state-owned company's proposed investment.

These are, at their core, commercial disputes, not political issues. China tacitly acknowledged as much by downgrading the charge to "stealing commercial secrets," which carries a lighter sentence. The verdict described a list of documents and conversations that allegedly helped Rio gain information about China's bidding position in the 2008 and 2009 iron-ore negotiations—something Judge Liu Xin claimed "put the Chinese steel industry in a powerless position." But that part of the case was closed to the public, so we may never know if the charges were justified.

The bribery issue is more straightforward. Three of the men, who were all part of Rio's iron-ore sales team, admitted taking bribes, mainly from steel mills to secure iron-ore orders. The total bribe amounts ranged from 3.8 million yuan ($557,000) to more than 75 million yuan ($11 million).

There's no excuse for taking bribes, and Rio's internal controls could use tightening up. The company yesterday admitted that an independent investigation failed to find evidence of the bribes, which means Rio wasn't aware of them.

But the broader problem is how companies like Rio should approach doing business in an environment where the rules of the game aren't always clear—as the commercial secrets charge demonstrated. Rio derives 24% of its annual revenues from its business with China. It has to tread lightly around its biggest customer. After the verdict was announced Monday the company fired all four men, describing their behavior as "deplorable."

That's about the most that Rio can do. But the Australian government—which *can* press Beijing for greater transparency and respect for legal contracts—hardly distinguished itself in the case. The government of Prime Minister Kevin Rudd sought to downplay Beijing's refusal to grant consular access for the entirety of Mr. Hu's trial, despite the fact that it contravened a consular agreement between the two countries. Foreign Minister Stephen Smith said Monday the sentence would not have "any adverse implication for Australia's bilateral relationship with China."

That kind of soft-pedaling puts companies like Rio in a tough spot and sets a bad precedent for countries that have similar consular agreements with China, like the United States. If Australia allows China to limits its citizens' access to basic rights, what's to stop China from trying the same thing on other countries?

As for Rio, it will likely keep doing business in China for years to come: Considering the business it is in, it hardly has a choice. But for those companies that do have a choice, this case is a warning about the dangers of doing business in a country where the legal system too often remains opaque and apparently arbitrary. There's a warning in that for China, which will find foreign investors increasingly looking askance at its markets in the absence of sound legal reforms.

Executive Power Politics

Remember all of those liberal and media complaints during the George W. Bush years about the "Imperial Presidency" and runaway executive power? We haven't heard much of that now that a Democratic occupies the White House, and President Obama's weekend decision to install 15 officials as recess executive appointments without Senate approval is even being hailed on the left as proof that he's capable of LBJ-style muscle-flexing.

As we said regarding Mr. Bush, Mr. Obama has every right to make such appointments under the Constitution. In some of his weekend decisions, the President was also responding to what appear to be abuses by Senate Republicans of their power to put a "hold" on nominees. We didn't like it when Democrats did this to GOP Presidents, and it's no better when Republicans play the same game, often for parochial political ends.

> Obama does the SEIU's bidding.

It is notable, however, that Mr. Obama sang a different tune when he was in the Senate and called Mr. Bush's recess appointment of John Bolton to be U.S. Ambassador to the United Nations an abuse of power. At the time, Mr. Bolton had bipartisan support but Democrats used a filibuster to deny him an up or down vote.

The same can't be said of Mr. Obama's most controversial recess appointee, labor lawyer Craig Becker to the National Labor Relations Board. The SEIU stalwart, who has written that the NLRB can rewrite labor law without the consent of Congress, was opposed by every Republican as well as Democrats Ben Nelson and Blanche Lincoln.

With Mr. Becker at the NLRB, Democrats now have a majority, and business will need to be on 24/7 watch for decisions that rig union organizing rules to help Mr. Becker's Big Labor patrons. Mr. Obama may have the power to ignore the Senate and install Mr. Becker, but his decision shows once again that this President's 2008 talk about bipartisanship was mostly for campaign show.

Seeds of Antitrust Destruction

When you can't beat 'em, scream monopoly. That's the vintage gambit now playing out in the farm business, with the encouragement of the Department of Justice.

At the first of a series of workshops this month, Attorney General Eric Holder, antitrust chief Christine Varney and Agriculture Secretary Tom Vilsack presided over a "forum" for farmers, activists and others to discuss competition in the agriculture industry. The occasion looked more like the Obama Administration's latest dunk tank for business. "Recessions and long periods of reckless deregulation can foster practices that are anti-competitive and even illegal," Mr. Holder warned in his speech.

Held in Ankeny, Iowa, the gathering occurred in the backyard of DuPont's seed company, Pioneer Hi-Bred. DuPont/Pioneer has become an ally of the Justice Department's resurrected antitrust posse. DuPont has filed an antitrust suit against Monsanto over its dominance of a sliver of the soybean market, and the company hopes Mr. Holder's trustbusters will grant it success where the market has not.

The controversy involves a soybean-seed technology created and patented by Monsanto in 1996. Called Roundup Ready, the product became a favorite among farmers because the soybean it produces is resistant to weed killer. At first, DuPont aimed to challenge Monsanto directly, developing a product called Optimum GAT. When that failed as a stand-alone product, DuPont came up with plans to use it as a so-called stacked product—a seed that included both Monsanto and DuPont technologies.

> DuPont runs to the Justice Department's competition police.

Monsanto took DuPont to U.S. District Court in St. Louis on grounds that combining these products violated the two companies' licensing contract. In January, Judge Richard Webber agreed, ruling that DuPont didn't have the right to combine, or "stack," its product on Monsanto's blockbuster. DuPont meanwhile called in the monopoly lawyers. It counter-sued on antitrust grounds, with DuPont General Counsel Thomas Sager vowing that "this litigation is just the beginning."

On cue, the Justice Department antitrust posse saddled up. It opened a formal investigation into Monsanto's alleged monopoly behavior. But any "monopoly" depends on whose definition of competition gets used. If the relevant "market" is herbicide-resistant soybeans, then Monsanto has been a colossus since its first unit was sold. (Round-up Ready is literally the only product that's been developed for this purpose.)

In fact, DuPont holds a slight edge in soybean seed sales, and each company represents about one-quarter of the soybean seed market. Competition is strong in the seed industry, where Monsanto lost market share as a result of its decision to license its soybean technology to other seed producers.

But Ms. Varney, the Justice antitrust chief, has her eye on bigger things. She once worked to organize farm workers and she has said that Justice's Iowa workshops were inspired by her concern that the Bush Administration had allowed too many mergers across the farm industry, creating a culture of Big Agriculture that is bad for America. Besides this litigation, the Justice Department recently filed suit in Wisconsin to prevent further "consolidation" in dairy processing. The livestock industry, which is dominated by a handful of major producers and was another hot topic at the Iowa workshops, could be next.

Monsanto and farm conglomerates represent evil to the same demographic that believes we should go back to growing our own food. While the increase in organic produce and "buying local" is gospel to urban foodies and those rich enough to afford high prices, large-scale farming has succeeded in the marketplace because its economies of scale make food more affordable and have helped feed the hungry around the world.

An antitrust assault against Monsanto and the broader farm industry will do nothing to advance the competition that Mr. Holder claims to protect. Federal interventions against market leaders typically target companies most likely to innovate and create products that drive progress. Those who invest in research and development have a right to reap what they sow.

OPINION

Innocent Abroad

[Bookshelf]

Starting From Scrap
By Stephen H. Greer
(Burford Books, 245 pages, $25)

BY MARY KISSEL

If you're lazy by nature, then Hong Kong isn't your city. It's New York plus London plus Tokyo with a double-shot of caffeine, a kind of dealmakers' paradise where the overriding goal of practically everyone you meet is to make money, and the principal subject of most conversations is how to wheel and deal and make some more. No one comes to Hong Kong to improve his "work-life balance," unless that means tilting the balance more toward work.

For Stephen Greer, Hong Kong proved to be the right place for his restless spirit and untapped entrepreneurial energies. As he recounts in "Starting From Scrap," he was a precocious kid from a comfortable Pennsylvania family who managed to get himself kicked out of boarding school before straightening up and graduating from Penn State in the early 1990s. He landed a job at a U.S. company in Germany and hated it. So in 1993 he hit up his dad for a business-class ticket to Hong Kong, where a friend lived. Asia was booming then, as it is now.

It is wickedly easy to start a business in Hong Kong. The 24-year-old Mr. Greer marched into an accountant's office and incorporated a trading company, Hartwell Pacific, without an inkling of what his company might actually do. He registered the official address at a business center and opened a bank account. The whole thing took a couple of days.

Mr. Greer started networking like a demon in Hong Kong's upscale bars and clubs and researched leads at the local Trade and Development Council. He soon discovered that Asia was full of opportunities for trading companies to act as middlemen, searching out (or "sourcing") goods to sell to companies that were already in the market for them and taking a cut for arranging the deal—a sort of durable-goods arbitrage.

During the course of his scrambling in Hong Kong, Mr. Greer met a mainland Chinese woman with the English name of "Ivis"—a misspelling of "Iris." Impressed by her business acumen, he invited her to Hartwell Pacific's world headquarters—his sixth-floor walk-up apartment—and persuaded her to become his partner not long after. She re-adopted her Chinese name, Mei, and the two soon traveled to the chaotic Canton Fair in southern China, scouting for goods. They decided to tote back to Hong Kong hundreds of toothbrush holders with matching soap dishes, in the hope of enticing buyers. Alas, the dishes were a flop—they were last year's models.

But their fortunes soon improved when, thanks to family connections, Mr. Greer landed a contract with a German metal-recycling company that wanted Hartwell Pacific to find scrap-metal suppliers in Asia. That deal set him on his way.

Over the course of a few years, Mr. Greer built a network of small sources of scrap metal, then realized that instead of making relatively small profits by selling metal at a mark-up, he could turn Hartwell Pacific itself into a scrap-metal recycler—taking the detritus of "screw manufacturers, pots and pans manufacturers, and demolition companies," melting it down and producing shiny new stainless steel all over again. In a little more than a dozen years, Hartwell Pacific became a regional powerhouse, with sites stretching from Thailand to the Philippines to Mexico.

Asia might be hospitable to dealmaking, but the region can be merciless, too. Business is rarely as straightforward here as it is in largely transparent markets like those of Western Europe or the U.S. Contracts often aren't worth the paper they're written on, fraud is rife and personal connections are often the only reliable key to success. Gweilos, or "white ghosts" (the Hong Kong word for foreigners), learn these lessons the hard way.

Even Mr. Greer and Mei were taken for a few rides, especially as their business expanded. A partner in Malaysia systematically ripped off inventory. After Mr. Greer fired him, the man entangled the company in legal problems over a stray piece of radioactive metal accidentally dumped in the company's yard. "In the end, it cost us a cool $50,000 to clean up the mess," Mr. Greer writes.

Luckily, Mr. Greer had Mei as his Chinese interpreter and sagacious partner. After years of working together, he says, "Mei and I were slowly becoming a couple." They married in 2001.

Throughout "Starting From Scrap," Mr. Greer comes across as an amiable guy who will try just about anything once. He attempts unsuccessfully to smuggle a "rusted-out" AK-47 back to Hong Kong—a gift from a Kuwaiti businessman; he drives his BMW at top speed down the runway at the recently abandoned Kai Tak airport while "panicked" security guards look on. He even poses as a Russian mobster to scare off a competitor.

A friend once told Mr. Greer that "the best thing about Hong Kong is that it's eight times easier to become a millionaire," a joke based on the fact that the local currency is pegged to the U.S. dollar at a rate of about eight to one. Mr. Greer made his first (dollar-denominated) million at age 28 and sold his company in 2005, though he is uncharacteristically coy about the price he got. It's probably safe to say that the amount would lend a new meaning to the phrase scrap heap.

Ms. Kissel is editorial page editor of The Wall Street Journal Asia.

More Questions About the Dubai Assassination

BY EDWARD JAY EPSTEIN

James Jesus Angleton, the legendary CIA counterintelligence chief, once discussed a series of suspicious deaths in Germany with me. "Any gang of thugs could murder someone," he said, "but it took an intelligence services to make a murder appear to be a suicide or natural death."

According to this precept, the assassination of Mahmoud al-Mabhouh in Dubai on the evening of Jan. 19, 2010, was almost certainly the work of an intelligence service. When Mabhouh's body was discovered the next day in his room in the five-star Al Bustan Rotana hotel, it appeared he'd died of natural causes. There were no wounds, bruises or other signs of foul play.

Room 230 had no balcony or windows that could be opened, and the electronic door latch appeared to have been locked from the inside. If an ordinary tourist died under such nonsuspicious circumstances, investigators would routinely assume he had died in his sleep from natural causes.

But Mabhouh was no ordinary tourist. He was a senior commander and a co-founder of Hamas's military wing, Izzedine al-Qassam Brigades. His activities included the abduction of Israeli soldiers, and he was wanted in three countries for suspected terrorism.

Based in Damascus, Syria, Mabhouh was also a key intermediary in the covert arms traffic between Iran's Revolutionary Guard, the Syrian intelligence service, the Hamas government in Gaza, and other militants. He was ordinarily protected by a team of armed bodyguards. But they had not been allowed to accompany him to Dubai on Jan. 19 because there was no room on the flight, according to a Hamas spokesman. So whether by design or accident, he was stripped of his protection.

When the Dubai police, under pressure from Hamas, looked more closely into the crime scene, they found that the electronic lock on the door of his room had been reprogrammed to allow others to enter. The electronic lock can be accessed directly at the hotel room door by a sophisticated hacker.

Then a Dubai forensic lab retesting his body fluids discovered traces of succinylcholine. This is a quick-acting, depolarizing, paralytic drug that, by rendering Mabhouh incapable of resisting, could account for the lack of bruise marks on the body.

In February, Dubai's chief coroner, Fawzi Benomran, reversed his verdict of a natural death. Instead, describing the death as "one of the most challenging cases" in the history of the emirate, he concluded it was a disguised homicide "meant to look like death from natural causes during sleep."

Meanwhile, Dubai investigators examined 645 hours of videos from surveillance cameras at the hotel and elsewhere. They saw that, after Mabhouh left his hotel room, four suspicious-looking individuals got out of the elevator on the second floor near his room. Several hours later, at 8:25 p.m., Mabhouh returned to his room (according to the electronic lock). Shortly afterwards, the four men were seen via the cameras leaving the floor.

What was a senior Hamas figure doing in a city infamous for arms trade?

The police theorized that these men had surreptitiously entered Mabhouh's room while he was out, incapacitated him with the paralytic drug on his return, induced a heart attack by suffocating him with a pillow, and reprogrammed the electric lock to make it appear it had been locked from the inside.

With the aid of facial recognition software, Dubai police then identified 26 suspects. All had been in Dubai at the time of Mabhouh's brief visit. All had entered Dubai using fake or fraudulently obtained passports from countries not requiring a Dubai visa.

All the passports turned out to be stolen identities with faked passport photos. The charge cards, airline tickets and pre-paid phone cards these suspects used were also in the name of their stolen identities. The only real clue was that eight of the identities had been stolen from people with dual Israeli citizenship. Since Mossad, Israel's national intelligence agency, had previously used dual citizens' passports to fake identities, Dubai authorities concluded the suspects were from Mossad.

Dahi Khalfan Tamim, the head of the Dubai police, stated on a government-owned Web site, that he "is 99 percent, if not 100 percent certain, that Mossad is standing behind the murder." While this authoritative finger-pointing was largely accepted by the media, Dubai is not exactly an uninterested party in the affair. It is, after all, the principal transshipment point for the lethal arms trade between Iran and Hamas—and Mabhouh had been one of the major players in this trade.

The much-publicized hotel surveillance videos do not show any of the suspects engaging in any illegal activities other than using false identities, a practice which is not unknown in Dubai. Even if all 26 identity thieves were intelligence operatives, it does not necessarily follow that they were all in Dubai on the same business, or even working for the same side.

Since Iran maintains its largest offshore financing facility in Dubai—which is used by the Revolutionary Guard, among others, to support its traffic in covert weapons—more than one intelligence service might be interested in Mabhouh's trip. Consider, for example, the peculiar fact that two of the 26 Dubai suspects exited by boat to Iran, according to Dubai authorities; this is not a likely escape route for Mossad agents.

Two other individuals whom the Dubai police had named as suspects worked for the Palestinian Authority, an arch-enemy of Hamas, and another person wanted for questioning returned to Damascus just prior to the killing. And then there is the question of who in Syria played a role in stripping Mabhouh of his protection just hours before his flight to Dubai.

The key missing piece in the jigsaw remains Mabhouh's mission to Dubai—apparently important enough for him to travel there without his usual bodyguards.

Mabhouh arrived at his hotel shortly before 3 p.m., and after changing his clothes left for an unknown destination. He was gone for several hours. But even with state-of-the-art surveillance and interviews with all the taxi drivers at the hotel, authorities claim they cannot determine either his whereabouts during these hours or the identity of whom he met.

The world-wide focus on the spooks—whose false identities allowed many of them to vanish in the intelligence netherworld—has diverted attention from the potentially embarrassing mission that brought Mabhouh to Dubai. The real intrigue here is not who killed a wanted terrorist, but what he was up to. Without this missing piece, any rush to conclude who his killers were may be premature.

Mr. Epstein, who frequently writes on intelligence issues, is the author most recently of "The Hollywood Economist" (Melville, 2010).

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OPINION

The Rules in China

By Hugo Restall

After a Chinese court sentenced four executives of Australian mining company Rio Tinto to lengthy prison terms for bribery and stealing commercial secrets yesterday, Canberra was quick to respond. Foreign Minister Stephen Smith pointedly stated, "As China emerges into the global economy, the international business community needs to understand with certainty what the rules are in China."

In the eight months since Australian citizen Stern Hu and his Chinese colleagues Wang Yong, Ge Minqiang and Liu Caikui were arrested, we've learned a great deal about the lack of certainty and rules not only in China, but also in the global commodities trade. Some of that is China's fault, but hardly all of it. The Australian government and Rio Tinto must share the blame for lack of transparency and failing to play by the rules.

Rio Tinto put forces in motion that led to four men losing their freedom.

Foreign media coverage of the arrests and trial has focused on whether the Chinese authorities pursued this case for political reasons. Remember that early last year, cash-starved Rio Tinto angered China by inviting Aluminum Corp. of China, or Chinalco, to take a $19.5 billion equity stake and then backing out of the deal under a combination of shareholder, government and public pressure. Rio was also driving a tough bargain in iron-ore price negotiations with Chinese buyers. Many observers speculated that the four executives were pawns in a high stakes game of tit-for-tat orchestrated from Beijing.

Certainly the timing of the case makes such suspicions inevitable. But the reality is probably more complicated. The Chinese justice system may be manifestly unfair, and once it gains momentum a guilty verdict is a foregone conclusion. Yet Rio itself put forces in motion that led to four men losing their freedom.

It all started with the boom in the global iron-ore market in the early 2000s. That's when China's steel industry embarked on a massive expansion of capacity, turning the trade in ore from a buyer's market to a seller's market. China's large state-owned steelmakers bought at the benchmark price negotiated by Japanese and Korean mills, while smaller firms had to pay the higher spot price. This created an incentive for arbitrage and corruption, but unfortunately both the Chinese government and the mining companies were slow to take account of this in their internal controls.

As demand soared, the benchmark and market prices for iron ore diverged and the system came under increasing stress. In 2008, the Brazilian mining giant Vale negotiated a new benchmark price, only to see its two Australian rivals, BHP Billiton and Rio Tinto, refuse to follow it. Vale reacted by tearing up its agreed benchmark price and renegotiating with producers who were over a barrel.

Then Rio Tinto also began to back out of its contracts, for instance by invoking clauses in contracts to hold back 10% of deliveries, which could then be resold at the spot price. Since Rio was facing a hostile takeover bid from BHP, the company's managers pushed especially hard for every last dollar at the expense of their trading partners to show that they could deliver higher returns for shareholders.

Rio's Mr. Hu himself acknowledged the problem. In 2008, after Rio negotiated a 87% price increase, Australian reporter John Garnaut interviewed him: "He said he had no qualms with driving as hard a bargain as he could on price. But he had misgivings about whether Rio Tinto should risk its integrity in China by claiming 'force majeure' to wriggle out of long-term contracts to chase higher prices elsewhere. 'We acted in accordance with the letter of the contracts, but not the spirit,' he said."

Associated Press

This weakening of the bonds of contract naturally infuriated Chinese steelmakers. So when the economic crisis hit at the end of 2008 and demand for iron ore evaporated, it was payback time. Enjoying a buyer's market again, the Chinese firms simply walked away from contracts.

The turnabout didn't last long. Beijing's fiscal stimulus program quickly revived demand for steel by the middle of 2009, and the Australians were able to start raising prices again. Negotiations over new iron-ore benchmark prices were particularly acrimonious, given the bad blood created over the past couple years. And that was the state of play when Mr. Hu and his colleagues were arrested on July 5, 2009.

One past participant in the iron-ore business, who insists on anonymity because of the sensitivities on both sides, believes that the investigation into the Rio Tinto executives was ongoing for many months before the arrests, meaning they were not directly related to the Chinalco fiasco or the ongoing price negotiations. The authorities likely started sniffing around as a result of a tip-off from someone on the Chinese side of the industry. The ill will created by the whipsawing prices and huge losses suffered by some firms supplied plenty of motivation for someone to drop the dime on Rio.

And some dirt was found. Rio Tinto has severed its relationship with the executives, saying they engaged in "deplorable behavior," effectively accepting the verdict that they were taking kickbacks from steelmakers to arrange preferential access to iron ore. The charges of stealing commercial secrets are much more murky, as evidenced by the fact that they were heard in a totally sealed courtroom, but these too probably originated from lower down the ladder of officialdom, rather than a Beijing-led witch-hunt against Rio Tinto.

The bosses in Australia made the mistake of leaving their Chinese executives in place for too long with too little supervision. But the bigger mistake was destroying the trust of the handshake deals made with Chinese partners in the quest for a little extra margin. That is bad practice anywhere, but especially in China.

Chinalco has not held a grudge against Rio for the failed equity deal. The two companies continue to negotiate joint projects in countries like Mongolia and Guinea. The State Council's own post-mortem report on the affair is relatively kind to Rio and admits that the Chinese side could have handled the deal better.

However, the government of Prime Minister Kevin Rudd does not come off so well. Treasurer Wayne Swan ran scared from public perceptions of being too soft on China and politicized the approval process for Chinese investments, making it clear that the Chinalco deal would not go through and future acquisitions in the natural resources industry would face strict limitations. The lack of transparency and hostility toward China came as a complete surprise to Beijing and has created lasting tension between the two countries.

It was bad luck that around the same time, Xinjiang dissident Rebiya Kadeer was invited to Australia and Canberra issued a defense white paper that singled out China as a potential threat around which to base future strategy. From Beijing's perspective these all suggested that Australia was turning hostile and there was no certainty about the rules for Chinese companies doing business there. Had this not happened, it's possible that greater leniency would have been shown to the four Rio Tinto executives.

Everyone doing business in China should be clear by now on the rules—there is no rule of law. Deals can be done on the basis of mutual trust, which creates some level of certainty. The four Rio Tinto executives may be guilty of corruption, but the real reason they are in prison is because that trust broke down.

Mr. Restall is a member of the editorial board of The Wall Street Journal.

The Return on Beijing's Building Boom

By Jing Ulrich

Investors are fretting over the prospects for China's economy. They're worried the government's stimulus spending has resulted in industrial overcapacity, wasteful infrastructure projects and real-estate speculation. These factors, they say, will lead to diminishing returns on capital and a spike in bad debts, eventually pulling China's growth rate down. But the data don't support this doomsday scenario.

That may be a counterintuitive argument, given the headline numbers. Bank lending is clearly finding its way into asset markets. Land prices are soaring and China's domestic stock market rose 74% in the first half of 2009, during which 77% of the year's new loans were extended. Beijing's actions did exacerbate overcapacity in some sectors. For instance, the stockpiling of over one million tons of aluminum by the State Reserve Bureau and local governments—ostensibly to support employment—boosted prices and encouraged aluminum smelters to restart capacity on a massive scale.

But it's not all bad news. China is building a lot of infrastructure: Last year fixed-asset investments composed 46.6% of GDP, compared with 43.5% in 2008. It is tempting to interpret this surge as a sign of excess. But China is a developing country with vast needs for infrastructure and a per capita GDP of approximately $3,600. The majority of spending has been directed at shovel-ready infrastructure projects that were already approved and in the pipeline.

Going by the experience of China Development Bank, a major lender to local government's investment arms, local infrastructure projects have generally maintained their asset quality. At the end of the third quarter last year, China Development Bank's nonperforming loan ratio was 0.8%, compared to a sector average of 1.66%. And large-scale infrastructure projects bring long-term benefits. They facilitate the relocation of manufacturing to inland regions, improve logistics, create property markets and promote tourism and consumption.

Infrastructure investment has frequently been used by the government as an instrument to counteract sharp declines in exports. When GDP growth was at its peak of around 13% in mid-2007, for instance, infrastructure investment growth was 12.1%. Last year, to maintain GDP growth at over 8%, Beijing boosted infrastructure investment growth to 32.0%.

In the long run, the government's investment will boost productivity.

Amid all this spending, there is surprisingly little evidence of declining capital efficiency. Take the incremental capital-output ratio, a measure of the amount of investment needed to generate each additional unit of economic output. The lower the ratio, the more efficient the investment. This ratio has fallen to 2.0 in 2008 from 3.7 in 2000, indicating that every 2% increase in Chinese fixed-asset investment contributed to a 1% increase in GDP growth. Cross-country comparisons show that at a macroeconomic level, investment in China has been more efficient than in many other countries.

There are no clear signs of diminishing returns in financial performance, either. Companies listed on China's domestic stock markets have shown healthy improvements in profitability. Average returns on net assets reached 14.7% in 2007, up from 5.4% in 2001. There was a dip to 11.4% in 2008, which is mainly attributable to the global financial crisis. Data for least year are not available yet, but many analysts expect 2009 earnings to show improved momentum.

Granted, not all companies are doing well. Mining, metal processing and some raw material sectors such as cement are struggling. The government itself has acknowledged that there is excess capacity in these industries. Given the massive scale of the expenditure, some investment will inevitably have been imprudent. However, on the whole, investment into roads, railways and the electrical power grid was needed and will help improve future productivity. What is more, the country is in the fortunate position of being able to finance its future capital expenditure mainly from its own resources. It is not dependent on foreign loans.

China has business cycles like other economies, and there are some warning signs, in certain sectors, of overcapacity. But critics who argue that overinvestment will soon jeopardize China's stability are missing the mark.

Ms. Ulrich is chairwoman of China equities and commodities at J.P. Morgan.

FROM PAGE ONE

Rio Tinto employees sentenced to prison

Continued from first page

til now mostly ensnared government officials and local tycoons.

Yet, the Chinese court's decision not to disclose what information the executives were alleged to have stolen means the case has shed little new light on how authorities differentiate corporate fact-finding from espionage.

Rio Tinto's quick response to the court's findings may set a precedent for multinational companies' response when employees get enmeshed in China's murky legal environment, something analysts predict will happen more often. The company said its own internal investigation turned up no problems in its China operations, and while it had no involvement in the court proceedings or access to its employees since their detentions, it sent a determined signal that it respects the validity of the verdict.

A Beijing-based attorney said a guilty verdict virtually requires a company to take action to display its acknowledgment that a local court has jurisdiction, particularly after such a public case. Doing anything else would expose it to risks that include shareholder lawsuits and lost government contracts.

Alexandra Wrage, president of Trace International Ltd., a Washington firm that advises companies on antibribery compliance, said before the verdict that if access to the employees is denied and charges have a political component, "firing the executives without an internal investigation by the company seems inappropriate."

Lengthy sentences against Mr. Hu, Rio Tinto's general manager for China sales over about the past decade, and his three subordinates—Chinese nationals Wang Yong, Ge Minqiang and Liu Caikui, sentenced to 14, eight and seven years, respectively—suggested the court was little moved by their admissions of some guilt and explanations. Mr. Hu's three colleagues face a combined 6.7 million yuan in fines

In the eight months that led up to the trial, and its 2½-day session last week, few details of the allegations were spelled out. But on Monday, journalists previously barred from the court property were permitted to watch the final day of proceedings by closed-circuit television from a courtroom annex.

Judge Liu Xin spent most of the 35-minute proceeding reading bullet-point accusations of how the four steered iron-ore shipments to more than a dozen Chinese steelmakers in exchange for bribes valued in the hundreds of thousands of dollars each, in one case in the form of a payment from one of the nation's richest steel tycoons and disguised as a home loan.

In June, the judge said, as Rio Tinto and a Chinese steel-industry association were locked in a tense negotiation over iron-ore prices, Mr. Hu huddled with an executive of a major steelmaker at Beijing's five-star China World Hotel, where he learned in advance how the association intended to bid for the mineral at an upcoming round of talks.

The judge alleged a "direct cause-and-effect relationship" between the actions of the Rio Tinto employees and extra charges of over one billion yuan to China's steel industry for iron ore last year. "They used illegal means to obtain commercial secrets that put the Chinese steel industry in a powerless position," he said.

The defendants said nothing and expressed little emotion as the verdicts and sentences were read. Mr. Hu, a scholarly Tianjin, China, born man in his 50s with a full head of gray hair, stood erect in a dark jacket with his hands at his sides.

The case could spur big changes in how iron ore gets priced in China, an issue with potentially global repercussions. China, which produced around 40% of last year's global output of steel, imported $50.14 billion of the feedstock iron ore last year, but has been frustrated at how its demand has driven commodity charges up in recent years.

Today, the global iron-ore trade is dominated by three companies with multibillion-dollar businesses selling minerals in China, which government officials have routinely described as a "monopoly," including Rio Tinto with $10.69 billion in total sales last year in China of ore and other minerals. The others are **BHP Billiton** Ltd. with $9.9 billion in China sales in the year ended June and Brazil's **Vale** SA, which reported $9.0 billion in China sales for 2009. The companies are deeply tied to China, each generating around 20% of global totals in the world's most populous nation.

Rio Tinto Monday described the actions of the convicted employees as "deplorable" and said the four acted "wholly outside our systems."

"Receiving bribes is a clear violation of Chinese law and Rio Tinto's code of conduct," said Sam Walsh, head of the iron-ore division.

The Rio Tinto employees' detention in July appeared to many as highly politicized, since it came at a time when Rio Tinto was aggravating China in at least three ways. It was considering a $120 billion merger with rival BHP that China feared would create a behemoth able to dictate pricing of minerals key to its industries. Rio Tinto had also just backed out of a $19.5 billion deal to allow its largest shareholder, **Aluminum Corp. of China**, or Chinalco, to boost its stake. And days earlier, talks to price iron ore for the year had collapsed over Rio Tinto's refusal to acquiesce to a Chinese manufacturing group's demands for a sizable price cut.

In recent weeks, such tensions have been nowhere in sight. Rio Tinto expressed a desire to move on. "I want to look to the future," Chief Executive Officer Tom Albanese told a conference in Beijing last week shortly before shaking hands with Premier Wen Jiabao.

In the time since the case broke, Rio Tinto and BHP have backed off their 2007 merger plan. On the eve of the trial, Rio Tinto announced a $1.35 billion deal allowing Chinalco to directly share in the production of iron ore in Africa.

Mr. Smith, the Australian foreign minister, expressed regret Canberra wasn't able to engage more fully behind the scenes with Beijing on the charges in recent months. "That opportunity, too, was lost," he said.

Don Rothwell, an international law expert at Australian National University's college of law, said Australia's ability to protest guilty verdicts was compromised when it declined to argue more forcefully that its bilateral consular agreement with China should give it full access to the trial, instead of just the half concerning bribery charges that its consul general witnessed. "I am very surprised that the Australian government didn't take a more forceful position on that pretty fundamental point," Mr. Rothwell said.

A Pengana Capital fund manager, Tim Schroeders, said the verdicts raise issues about employee conduct but won't have lasting ramifications for Rio Tinto's business. "Arguably some of the mud may stick, although there has been no direct linkage to Rio Tinto," he said.

Indeed, Rio Tinto shares were buoyed on news the four had been terminated.

The convicted executives have a right to appeal the verdicts in the next few days, but Chinese courts rarely overturn their decisions.

Mr. Hu is likely to be remanded to a special facility reserved for foreigners in Shanghai's Qingpu Prison, located in a rural western part of the city. In a rare 2005 visit to the facility by The Wall Street Journal, the warden offered a visit to one cell, which housed eight prisoners on four bunk beds and was connected to a small washroom. Prisoners are required to spend much of their day sitting quietly.

—Alex Wilson, Rachel Pannet, Bai Lin, Li Yue and Michelle Ng contributed to this article.

Reuters

Australian Consul General Tom Connor walks away from journalists after attending a trial Monday at the Shanghai's No. 1 People's Intermediate Court.

Guilty verdicts

Four China-based executives of Anglo-Australian miner Rio Tinto were found guilty on all charges and sentenced to between seven and 14 years in prison by Shanghai No. 1 Intermediate People's Court.

	CHARGE	SENTENCE	TOTAL SENTENCE
Stern Hu	Took bribes for the value of $935,000	Seven years; 500,000 yuan confiscated*	10 YEARS; ONE MILLION YUAN FINE
	Illegally obtained commercial secrets	Five years; 500,000 yuan fine	
Wang Yong	Took bribes for the value of $9 million	Thirteen years; Five million yuan confiscated*	14 YEARS; 5.2 MILLION YUAN FINE
	Illegally obtained commercial secrets	Three years; 200,000 yuan fine	
Ge Minqiang	Took bribes for the value of $879,000	Six years; 500,000 yuan confiscated*	EIGHT YEARS; 800,000 YUAN FINE
	Illegally obtained commercial secrets	Three years; 300,000 yuan fine	
Liu Caikui	Took bribes for the value of $439,500	Five years; 300,000 yuan confiscated*	SEVEN YEARS; 700,000 YUAN FINE
	Illegally obtained commercial secrets	Four years; 400,000 yuan fine	

*Assets seized or forfeited

Source: WSJ Research

Above, Rio Tinto offices in Shanghai, Monday.

FROM PAGE ONE

Reuters

A worker smokes before a billboard featuring a U.S. dollar banknote on a street in Taiyuan, in Shanxi province, last year. Overseas deals are having little effect on Beijing's foreign-currency reserves.

Foreign deals fail to curb China reserves

Continued from first page

to 2009. Sichuan Tengzhong Heavy Industrial Machinery last month abandoned a planned purchase of **General Motors** Co.'s Hummer unit after failing to gain Beijing's approval.

Even successful deals can take long. Geely first expressed interest in acquiring the Swedish company more than two years ago, in January 2008.

The fruits of Geely Chairman Li Shufu's dogged pursuit—the $1.8 billion acquisition announced Sunday—ultimately amount to about a day and half of China's foreign-exchange accumulation in 2009.

China's rapid accumulation of reserves—which at $2.4 trillion are already by far the world's largest—is also increasingly an issue in its relations with the U.S. The steady increase is often seen as evidence of China's efforts to keep down the value of its currency, to the disadvantage of trading partners. The majority of the reserves are generally believed to be invested in U.S. Treasury debt, a strategy that while driven by financial necessity is disliked by both the Chinese public and U.S. politicians.

China's central bank accumulates foreign-exchange reserves because it regularly intervenes in the currency market, buying up surplus dollars and other foreign currencies from companies and banks and giving them yuan in exchange.

The traditional purpose of these reserves is to pay for imports and other transactions that need foreign currency. Chinese companies that want to make a major overseas investment can—with proper approvals—buy the necessary foreign currency back from the central bank, thereby draining the foreign reserves.

Chinese companies stepped up purchases during the crisis, with their overseas foreign direct investment—money used to buy or expand businesses—rising 6.5% last year to $43.3 billion, according to data from the Ministry of Commerce.

China's rapid accumulation of reserves—which at $2.4 trillion are already by far the world's largest—is also increasingly an issue in its relations with the U.S.

Yet the amount of direct investment coming into China was still much larger, with the net inflow amounting to $36.5 billion, according to the State Administration of Foreign Exchange.

That amounted to just part of the country's capital-account surplus—the amount by which all forms of investment into China exceeded that coming out of China—of $109.1 billion last year. At the same time, more than $20 billion a month was coming into the country through trade and other current-account transactions.

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Treasury sets a plan for sale of Citi shares

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billion. The sale announced Monday won't affect the Treasury's holdings of Citigroup trust preferred securities or warrants for its common stock. A spokesman from Citigroup declined to comment.

The Treasury said it will sell Citigroup common shares "through various means in an orderly and measured fashion" and that "the manner, amount and timing of the sale is dependent upon a number of factors."

The Treasury said it would use a "pre-arranged written trading plan," but didn't elaborate.

A Treasury spokeswoman said Monday the government hasn't made any projections about profits yet and that the sale of the shares will be "an at-the-market" offering. She said she couldn't share more details now about the sales strategy. The Treasury's contract with Morgan Stanley should be available within about two days.

Citigroup Chief Executive Vikram Pandit said in recent testimony before the Congressional Oversight Panel, a five-member committee that was formed to oversee the implementation of TARP, that the company is "well-capitalized" and has no more plans to seek government assistance.

Treasury officials have previously said the government planned to sell its stake of common shares in 2010.

Citigroup was among the last major Wall Street firms to pay back TARP funds in December of last year.

It was forced to raise capital, which diluted shareholders' equity, in order to come up with the $20 billion repayment. Even with that repayment, the government continues to hold common stock and trust preferred securities. Altogether, Citigroup received a total of $45 billion in government aid from TARP.

India closer to implementing pact

By Amol Sharma

MUMBAI—The U.S. has granted India the right to reprocess nuclear fuel it imports, removing one key hurdle to the implementation of the landmark nuclear-energy deal the countries signed in 2008.

The latest agreement makes India just one of three international parties Washington has allowed to reprocess nuclear fuel. Japan and a consortium of European countries are the others.

"This important step is part of the great, win-win narrative of the U.S.-India global partnership," said Timothy Roemer, U.S. Ambassador to India. "These arrangements will help open the door for U.S. firms in India's rapidly expanding energy sector, creating thousands of jobs for the citizens of both our countries."

India, with no domestic uranium reserves for its reactors, must import nuclear fuel. Reprocessing allows spent nuclear fuel to be broken down and recycled for energy production. But it is considered a nuclear proliferation risk because it can be used to reproduce plutonium for weapons.

The U.S.-India pact ended a 34-year U.S. moratorium on nuclear trade with India after the country's first nuclear tests in 1974. It took more than three years to complete and was hailed in both countries as a foreign-policy breakthrough.

Full implementation of the U.S.-India deal still faces some challenges. India must pass a law signing the country onto an international convention that limits the liability of private nuclear companies in the case of nuclear accidents. U.S. nuclear firms such as **GE-Hitachi** and **Westinghouse Electric** Co. won't sell reactor technology to India until such a law is in place.

Nuclear-liability legislation has proved controversial in New Delhi and Indian Prime Minister Manmohan Singh's government hasn't been able to introduce a bill. The same opposition parties that criticized the broader nuclear pact for sacrificing India's sovereignty—because India agreed to international inspections of its nuclear facilities—have vowed to block the liability legislation as it stands.

State-controlled companies from France and Russia already are marketing their own technology to India and don't face the same legal hurdles, because they can invoke sovereign liability protection as state-controlled companies.

Final approval of the U.S.-India nuclear deal will also require the Indian government to submit non-proliferation assurances necessary for U.S. companies to export sensitive technologies.

"We hope these issues will get early attention, as U.S. and Indian commercial nuclear firms are eager to partner not just in India, but in the renaissance of commercial nuclear power around the world," said Ted Jones, director for policy advocacy at the U.S.-India Business Council, which represents the interests of U.S. companies in India.

India produces about 3% of its power from nuclear energy. But New Delhi is stepping up investments in a range of cleaner technologies.

ON OTHER FRONTS

These racers come from all woks of life

Athletes in kitchen-quality Chinese cookware zoom down a bobsled track and dream of Olympic glory

By Adam Cohen

OBERHOF, Germany—Stars of the Winter Olympics are creating quite a stir in a different contest: the world wok-racing championship.

Racers sit in the middle of kitchen-quality Chinese woks and hurtle down chutes of ice at speeds of up to 100 kilometers an hour. Four-seaters—four woks linked together in wooden frames—can clock 120 kilometers per hour.

Originally cooked up as a TV stunt, wok racing has become hot in Germany. On March 19, for the 2010 championship, 6,000 wok fans packed the same 1,500-meter track here used by bobsledders and lugers.

Wok

Scalpers were charging as much as three times the face value of €30 ($40) tickets, some fans said. Televised live, the race attracted 3.6 million German viewers.

Wok racing began in 2003. As a guest on a game show called "Wanna Bet?" German comedian and TV emcee Stefan Raab joked with the audience about riding a wok down a bobsled run. The audience laughed, so he did exactly that.

"It was really amazing. I thought, 'Why not create a new sport?'" said Mr. Raab, who has a penchant for dangerous stunts on his show. He once wrestled a wild boar and emerged unscathed. He twice fought a German female boxing champion. She broke his nose.

Woks weren't designed for easy handling on ice. The rounded bottom rocks in all directions, and racers who don't use their hands and feet for stability can find themselves spinning in circles, slamming into the track's walls, or keeling over and sliding wok-less.

Mr. Raab staged the inaugural 2003 contest in Winterberg, Germany, after convincing reluctant track officials that racers' body armor made it safe. Mr. Raab won, beating a motley crew of B-list celebrities, including an Irish-German folk musician.

Then Georg Hackl arrived. A three-time Olympic gold medalist in the luge, Mr. Hackl, now 43 years old, is that sport's most decorated champion. Known as the speeding *weisswurst*, after the veal sausage, Mr. Hackl has always looked lumpy in the lycra bodysuit used in competitions. But what the beer-drinking Bavarian lacked in athletic appearance he more than made up for with drive and technical skill. He once took a job as a metalworking apprentice to figure out new ways to improve his steel-and-fiberglass luge sled.

Mr. Hackl has brought the same nerve and resourcefulness to wok racing. He beat Mr. Raab in the second championship in 2004 at Innsbruck, Austria. He has won every title since then, except in 2006 when Irish-German folk musician and weekend warrior, Joey Kelly, lined his wok with lead to turn it into a stir-fry missile.

Mr. Hackl reclaimed his title in 2007 after polishing his wok with wax and heating its base with a blowtorch before runs.

More Olympic lugers and bobsledders soon signed up for the championship. At last year's wok championship, Mr. Hackl edged out Felix Loch, who won the gold medal in the luge at this year's Olympic Games.

These athletes have made the TV spectacle more of a serious sporting event, while new regulations have helped reduce injuries. Mr. Kelly, who has competed in all eight wok championships, has cracked a rib, bruised both elbows and broken a small bone in his hand.

After a musician with the German heavy-metal band Oomph hit his head and crushed ribs two years ago, Mr. Raab limited the combined weight of a wok with a single rider to 130 kilograms.

This year's championship was held in Oberhof, once a training ground for East Germany's winter athletes. The day before the race, as spring sunshine started to melt the track, Mr. Hackl was confident he remained tops in the wok.

"The venue is like my living room. I know the track and I know the curves," said Mr. Hackl, who retired from the luge after the 2006 Olympics.

Mr. Loch, fresh off his gold-medal performance in Vancouver, liked his chances in the wok. He said Mr. Hackl's heckling hadn't dimmed his confidence.

"He tells me that I can win at luge now, but that I can't beat him in a wok," Mr. Loch said.

Against these sliding Olympians, Mr. Kelly, who comes from a family of noted folk singers, complained he didn't stand a chance. "I am getting better, but there are professionals here," he said.

Still, Mr. Kelly held his own in the two runs to determine the championship. He made it to the bottom with friction burns in his lycra suit, but posted quick times.

The Olympic athletes were in a different class. They were low, flat and aerodynamic in their woks and traveled smoothly through the turns. Mr. Loch looked composed on the course, but he struggled to find speed, finishing in fourth place.

Mr. Hackl, stone-faced as he donned his plastic face mask before his first run, kept his feet pointing straight all the way down the course. In his second run, he glanced off the walls a couple times, but kept up a searing pace. He beat the runner-up, Mr. Kelly, by 10 seconds overall to hold onto his title.

In the four-seat wok, Mr. Raab and his crew, which included the four-time Olympic gold medalist bobsledder Andre Lange of Germany, edged out the team of four Olympians, who ran earlier in the evening when the track was slower.

"My aim is for the sport to be in the Olympics," Mr. Raab said. "Twenty years back, young people took these crazy boards and rode them down the ski slope and called them snowboards. Everyone was laughing at them and now it's in the Olympics."

Getty Images(2)

Michael Wendler, top, speeds in a wok down a bobsled run last weekend in Oberhof, Germany. Above, left to right, Christian Clerici, Georg Hackl and Joey Kelly celebrate during the wok races on March 19.

Taco Bell

Yum scores a hit in India with Taco Bell Mexican food
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Steel Partners takes brawl with Sapporo to new level
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BUSINESS & FINANCE.

Tuesday, March 30, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Goldman's China club is growing

[Asia Deal Journal]

By Rick Carew

HONG KONG—"Former Goldman Sachs banker" is fast becoming a staple of the resumes of China's highest-profile private-equity investors.

Goldman Sachs Group Inc.'s China chairman, Fred Hu, is leaving Goldman in April to pursue a new private-equity venture, according to people familiar with the situation. He now joins the growing ranks of Goldman alumni taking aim at buying stakes in Chinese companies rather than advising them on capital raisings and mergers. Other high-profile alumni on that list include Fang Fenglei, Richard Ong, Frank Tang and Frank Yu.

Something in the water at Goldman seems to drive its bankers to work at funds. In the U.S. and Europe, many big hedge funds, too, are populated with Goldman veterans. The Wall Street firm is more focused than its rivals on generating investment opportunities from its investment-banking business and rewards investing success above other achievements.

Mr. Hu, a Harvard-trained economist, has built extensive ties in China's banking world, advising China to list its biggest state banks overseas and partner them with strategic investors.

As part of that process, Mr. Hu boasts a highly profitable investing achievement. He engineered a deal for a Goldman-led consortium that also included **Allianz** SE and **American Express** Co. to buy a $3.78 billion stake in **Industrial & Commercial Bank of**

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Bloomberg News

Fred Hu is leaving Goldman in April.

Toyota broadens hybrid work

Car maker agrees to license Prius technology to Mazda as February production surges

By Yoshio Takahashi

Agence France-Presse/Getty Images

Toyota's production rose 83% last month. New Prius hybrid cars are parked at a Toyota plant in Japan's Aichi prefecture.

TOKYO—**Toyota Motor** Corp. plans to license the hybrid technologies used in its flagship Prius car to **Mazda Motor** Co., in an encouraging move for the world's leading hybrid car maker as it continues to reel from global recall issues.

Word of the deal Monday came the same day that Toyota—the largest car maker by volume—reported a jump in global production for February, and a day before the first meeting of the company's special committee tasked with improving vehicle quality.

Mazda will procure key components of Toyota's hybrid system under the agreement, including the electronic control unit.

Mazda, in which **Ford Motor** Co. owns an 11% stake, will combine the system with its next-generation gasoline engine to launch a hybrid vehicle in Japan by 2013. The company hasn't decided yet whether to sell the model in other markets, said a Mazda spokesman.

This is the third time that Toyota has struck a deal involving its hybrid business. It is supplying complete hybrid systems to **Nissan Motor** Co. and has a technology-licensing deal with Ford.

Fuji Heavy Industries Ltd., the maker of Subaru-brand cars, also hopes to roll out a hybrid model by 2012 using Toyota's hybrid system. Toyota holds a 16% stake in Fuji Heavy.

Producing components for Mazda will help Toyota lower costs through economies of scale.

Mazda, which has so far lagged behind in offering advanced fuel-efficient cars, expects to be able to bring a hybrid car to market in a shorter time by using domestic suppliers of Toyota's technology. "We want to develop a hybrid car quickly," said Mazda Executive Vice President Masaharu Yamaki.

The Hiroshima-based car maker currently sells a hybrid sport-utility vehicle in California that is powered by a Ford-designed system, and leases a self-developed hybrid minivan in Japan that runs on either hydrogen or gasoline.

Mr. Yamaki said at a news conference that hybrid-car demand is growing quickly in Japan, sparked by government buying incentives as well as Toyota's new Prius and **Honda Motor** Co.'s Insight car, both launched last year.

Toyota, which launched the Prius in 1997 as the first mass-produced hybrid car, uses a hybrid technology that includes patents on more than 2,000 systems and components.

Separately, Toyota said Monday that its global production surged in February because a low basis of comparison offset the impact of reduced output in response to the company's quality issues. Toyota recently recalled 8.5 million vehicles world-wide to fix accelerator and braking problems.

It will be virtually impossible to sustain a similar pace of production growth. Plans are already in the works to idle some production lines in the coming months to avoid an inventory buildup as Toyota deals with the global recalls.

As well, Toyota is streamlining domestic output to ensure profitability in preparation for a possibly steep drop in demand because of the recalls that have tarnished the company's reputation for quality.

"Production looks strong just because global markets are recovering, and the year earlier's volume was too low," said Tatsuya Mizuno, an analyst at Mizuno Credit Advisory. "The impact of the recalls will emerge gradually," he said, and Toyota isn't likely to be able to sustain

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Hong Kong targets corporate disclosures

By Jonathan Cheng

HONG KONG—The government here said it would revise its laws to force listed companies to disclose price-sensitive information in a timely manner, closing a regulatory loophole but falling short of activists' calls to make nondisclosure a criminal offense.

Instead, the government's plan relies primarily on a civil tribunal that can impose fines of as much as eight million Hong Kong dollars (US$1 million) for violations, among other sanctions. Critics say Hong Kong's underutilized tribunals are slow, expensive and ineffective.

Under the plan, which the government said it modeled on British and European practices, regulators at Hong Kong's Securities and Futures Commission would bring cases of nondisclosure before the Market Misconduct Tribunal, a civil body created in 2003.

Price-sensitive information would be defined along the same lines as "insider information," with exceptions made, among other things, for information deemed to be a "trade secret."

Mark Dickens, head of listing for stock-exchange operator **Hong Kong Exchanges & Clearing** Ltd., called the proposed change "a first step forward," arguing it strikes a proper balance "and has the best chance of success"—a reference to the strong opposition from many of Hong Kong's listed companies to more radical changes. He left the door open for further tightening of the law if the proposed changes failed to change market behavior.

Others were more critical. "The tycoons have gotten what they wanted," said shareholder activist David Webb, who called the proposal a significantly diluted version of regulatory reforms that were proposed in 2003. He urged Hong Kong to learn from the Australian regime, which he said can jail company directors for nondisclosure of price-sensitive information.

A government spokeswoman didn't comment on Australia's system and said the U.S.'s "fair disclosure" regime, which requires disclosure to the public alongside market professionals, is "unique" and "not comparable" to Hong Kong's situation.

While the Market Misconduct Tribunal will be capable under the proposal of imposing fines on a company and its directors and barring directors from future involvement in listed companies, SFC regulators have largely abandoned civil tribunals for insider-dealing cases. Instead, they have prosecuted insider-dealing cases in criminal court with a string of high-profile successes.

The Market Misconduct Tribunal has only dealt with a handful of cases since it was created seven years ago and has no active cases. It is also unclear whether the proposed fines can be enforced, after a landmark 2008 case in Hong Kong's highest court ruled that fines imposed by a civil tribunal would violate Hong Kong's bill of rights. (The government said it considered that case before making its proposals, and said it has legal backing for the fines.)

"They may be seeking to breathe new life into the MMT, which seems to have been sidelined by the recent shift to the criminal regime," said Jeremy Leifer, a Hong Kong-based partner with New York law firm White & Case LLP. Mr. Leifer said there is a shift away from civil cases, which he said "can take years to reach a result," and are "usually enormously costly for both sides."

Local tycoons guardedly cheered the government's proposal. Mike Wong, chief executive of the Chamber of Hong Kong Listed Companies, a group of 220 companies that includes some of Hong Kong's best-known businessmen, said Monday that the absence of criminal sanctions "will remove a major concern of the market."

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Telstra shuffles its executive team

Move comes amid talks about possible role for the company in Australia's new national broadband network

By Lyndal McFarland

MELBOURNE—**Telstra** Corp. on Monday announced a shuffling of its executive team, with one executive promoted to look specifically at future challenges facing the company and different structural models amid ongoing negotiations about whether Telstra will play a part in the Australian government's planned 43 billion Australian dollars ($39 billion) new national broadband network.

Melbourne-based Telstra said Stuart Lee, who previously headed the program office, has been promoted to a group managing director role as part of wide-ranging changes unveiled by Chief Executive David Thodey. "Mr. Lee will work directly with Mr. Thodey to prepare for future challenges and opportunities as we look at different structural models for the company," Telstra said in a statement.

Telstra remains in talks with the government and NBN Co.—the company set up by Canberra to operate the national broadband network—about the proposed new network. The government wants Telstra to sell parts of its network, and its customer base, to the new high-speed broadband network.

Reuters

The Australian government wants Telstra to sell parts of its customer base to the new high-speed network.

But Telstra said earlier this month that there is a "significant gap" between the parties' financial expectations about the worth of its assets. And Communications Minister Stephen Conroy indicated last week that he wants some form of resolution by June or July and reiterated the government could build the new nationwide network without Telstra's cooperation.

The government also wants Telstra to split its retail operations from its network assets or face tough new rules along with being barred from buying new mobile spectrum and potentially being forced to sell off its half stake in pay television group Foxtel.

"Stuart Lee's elevation would suggest that Thodey is seriously examining separation as a new structural model for Telstra," said Daniel Blair, analyst at Southern Cross Equities. "We suspect that this is unlikely to be the last structure change for Telstra," Mr. Blair said.

Among other changes, Telstra, which has seen accelerated declines in its fixed-line business and tough competition in the mobile and wireless broadband sectors, named Gordon Ballantyne as group managing director for Telstra Consumer and Channels, effective from June. Mr. Ballantyne joins from Hewlett Packard in the U.K. "Gordon Ballantyne is the right person for this critical position," Mr. Thodey said. "He will lead our drive to win new customers and better serve existing customers in the consumer market."

Mr. Ballantyne will take over the role from Glenice Maclellan, who will leave the group when Ballantyne starts.

Kate McKenzie, formerly head of strategic marketing, will take on the newly created position of chief marketing officer, while Robert Nason's role will be expanded to include corporate strategy, mergers and acquisitions and the program office.

"This reorganization is designed to get the right people and processes in place. It will enable us to better deliver Australians the services and products they want and to profitably grow our business domestically and internationally," Mr. Thodey said. The company also said that the group's head of voice, broadband and media, Justin Milne, will leave the company on June 1 to pursue other opportunities.

Japan retail sales surge on demand for cars, gas

By Takashi Mochizuki

TOKYO—Japanese retail sales posted their biggest gain in 13 years in February, data showed Monday, as the government's incentive programs for fuel-efficient cars and flat-screen television sets continued to underpin consumer activity.

But despite the surge in sales, analysts said consumer sentiment remains fragile as deflation and weak employment conditions continue to cloud the outlook for the nation's economy.

Retail sales rose 4.2% from a year earlier in February, after a 2.3% increase in January, marking the sharpest gain since a 12.4% rise in March 1997, the Ministry of Economy, Trade and Industry said.

The figures suggest government stimulus measures still support personal spending in Japan, analysts said. Japan's economy, which has been recovering on robust export growth, is still vulnerable to fluctuations in overseas demand.

Still, analysts say consumer sentiment remains fragile in the country as deflation and weak employment continue to cloud the economic outlook.

Personal consumption accounts for 60% of Japan's gross domestic product, but analysts said consumer spending will likely remain fragile as entrenched deflation means consumers are likely to delay purchases on expectations of cheaper prices in the future. Japan's core consumer price index declined for the 12th straight month in February.

"Deflation is expected to be prolonged, which may prompt consumers to tighten purse strings," said Norio Miyagawa, an economist at Shinko Research Institute.

He added that severe job conditions also weigh on consumer spending. Japan's jobless rate stood at 4.9% in January, a little lower than last July's record high of 5.6%.

In February, sales of cars gained by 15%, the data showed. There was no impact from massive recalls by **Toyota Motor** Corp., the government said. Toyota, Japan's biggest auto maker, has recalled nearly nine million vehicles world-wide following a series of complaints and a slew of lawsuits linking vehicle flaws to 30 deaths in the U.S.

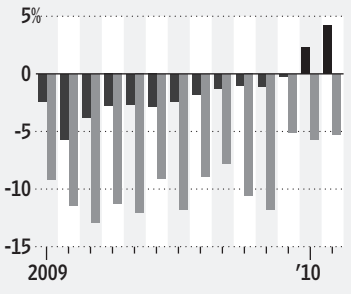
Sales of electrical appliances such as flat-screen TV sets increased 8.6%. Sales of gasoline rose 20.7% because of higher crude-oil prices, and sales of spring-season clothing improved 8.4% because of warmer-than-usual weather during the month, the government said.

Sales at large-scale retailers declined 4% from a year earlier, the 23rd straight monthly fall, as consumers reined in purchases of luxury goods because of concerns over wages and job security, the government said.

— Miho Nakauchi contributed to this article.

Sparking sales

Monthly sales figures in Japan, change from previous year



* Adjusted
Source: Ministry of Economy Trade and Industry

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EU pushes for real-time flight data

In wake of recent crashes, regulators aim to use satellites to beam critical information from commercial aircraft

By Daniel Michaels And Andy Pasztor

Prompted by difficulties retrieving flight-data recorders after recent fatal airliner crashes, European aviation regulators want to start using satellites to transmit critical safety information about accidents.

The idea of beaming real-time safety data from jetliners to the ground gained new impetus last June, when an Air France jetliner crashed into the Atlantic Ocean en route from Rio de Janeiro to Paris, killing all 228 people on board. The Airbus A330's digital data and cockpit voice recorders, called "black boxes," still haven't been located as investigators kick off their third search effort.

At a global aviation summit starting Monday in Montreal, the European Union and other European aviation organizations for the first time will call for streaming in-flight data about aircraft maneuvers and pilot commands via satellites. Representatives of EU transport commissioner Siim Kallas will press officials from other countries to support expanded use of satellite links to supplement data captured by traditional black boxes, according to one of his top deputies.

The presentations before the International Civil Aviation Organization, an arm of the United Nations, will mark the first official government endorsement of such data streaming.

A report prepared by a French-led group of international experts concluded that the concept of transmitting data during emergency situations "is becoming more robust and accepted." The study also found it would be cost-effective if only essential data were sent.

Plans are at an early stage, with technical and economic hurdles still to be resolved. Still, aviation safety officials from the U.S., other countries and global industry groups endorse the idea in principle.

"It's smart to move in that direction," said Robert Francis, former vice chairman of the U.S. National Transportation Safety Board.

Andrew Sukawaty, chief executive of satellite-services provider **Inmarsat** PLC, said the concept is "gaining enormous momentum" and "the industry is definitely moving on this."

For many years, the idea of replacing onboard "black box" data recorders with satellite feeds has been discussed and largely dismissed in aviation circles. Obstacles included the cost of high-volume data transmissions, questions of where data would be stored and privacy issues. The biggest challenge has been overcoming the lack of perceived urgency.

Since the mid-1970s, missing or damaged black boxes have blocked investigators from finding the probable cause in only a small number of major airliner crashes.

Out of more than 3,000 accidents involving western-built commercial aircraft, fewer than a dozen cockpit voice recorders and flight data recorders weren't found, according to records of the International Air Transport Association, a global airline trade group. And in most of those cases, enough wreckage was retrieved to piece together a crash scenario, or air-traffic control tapes and other evidence helped investigators determine what happened.

The crash of Air France flight 447 was the first in many years to leave almost no trace, frustrating investigators and fueling public pressure for changes. Weeks later, when a Yemenia Airways Airbus A310 crashed in the Indian Ocean on landing in Comoros, recovery crews struggled to locate parts of its black boxes. And divers searching for wreckage of an Ethiopian Airlines Boeing 737 that crashed in the Mediterranean Sea on takeoff from Lebanon on January 25 also faced big problems recovering black-box components.

Following this string of problems, proponents of satellite data transmissions say that no opportunity should be lost to help get to the bottom of even one or two especially puzzling crashes. Flights over oceans and polar regions, where radar coverage is sparse, could gain significantly from data links, advocates say.

Among the only clues from the Air France crash was a series of routine maintenance updates transmitted during its final minutes, which pointed to malfunctioning airspeed indicators followed by cascading failures of flight-control computers and other onboard equipment.

Some 8,000 long-haul jets currently rely on the same satellite links to inform maintenance bases about issues such as engine performance and components that need attention.

Missing evidence | Here are some airliner accidents where crash investigators have failed to retrieve 'black boxes':

Date	Airline	Crash location	Black box lost	Fatalities
June 1, 2009	**Air France**	**Atlantic Ocean**	**Voice and data recorders still not recovered**	**228**
Jan. 20, 1992	Air Inter (France)	Mont Sainte Odile, France	Data recorder tape destroyed	87
Jan. 3, 1992	Commutair (U.S.)	Saranac Lake-Adirondack Airport, NY	Voice recorder tape destroyed by fire	2
Dec. 29, 1991	China Air Lines (Taiwan)	Taipei	Data recorder tape destroyed by fire	5
May 26, 1991	Lauda Air (Austria)	Near Bangkok	Data recorder tape destroyed by fire	223
Nov. 27, 1989	Avianca (Colombia)	Near Bogota	Data recorder tape destroyed by fire/heat	107
Nov. 28, 1987	South African Airways	Indian Ocean	Data recorder never recovered	159

Source: Aviation Safety Network
Photo: Associated Press

Workers check an unmanned submarine in Recife, Brazil, in preparation for a third attempt to locate wreckage of an Air France jetliner that crashed last June.

Kumho Industrial plans rights issue

By Kyong-Ae Choi

SEOUL—**Kumho Industrial** Co. will raise 2.252 trillion won ($1.98 billion) through a rights offering, a move that will prevent the company from being delisted and help creditors proceed with a debt-workout program for the construction firm.

Trading in Kumho Industrial shares has been halted since March 11, after the company said its debt exceeded its assets by 1.13 trillion won at the end of December.

Kumho Industrial creditors on Monday said the company will launch a rights issue of 450 million common shares that will be taken up by the creditors, who will first convert their debt into equity in the company. Kumho Industrial is part of the **Kumho Asiana Group** conglomerate, which has been struggling to repay overall debt.

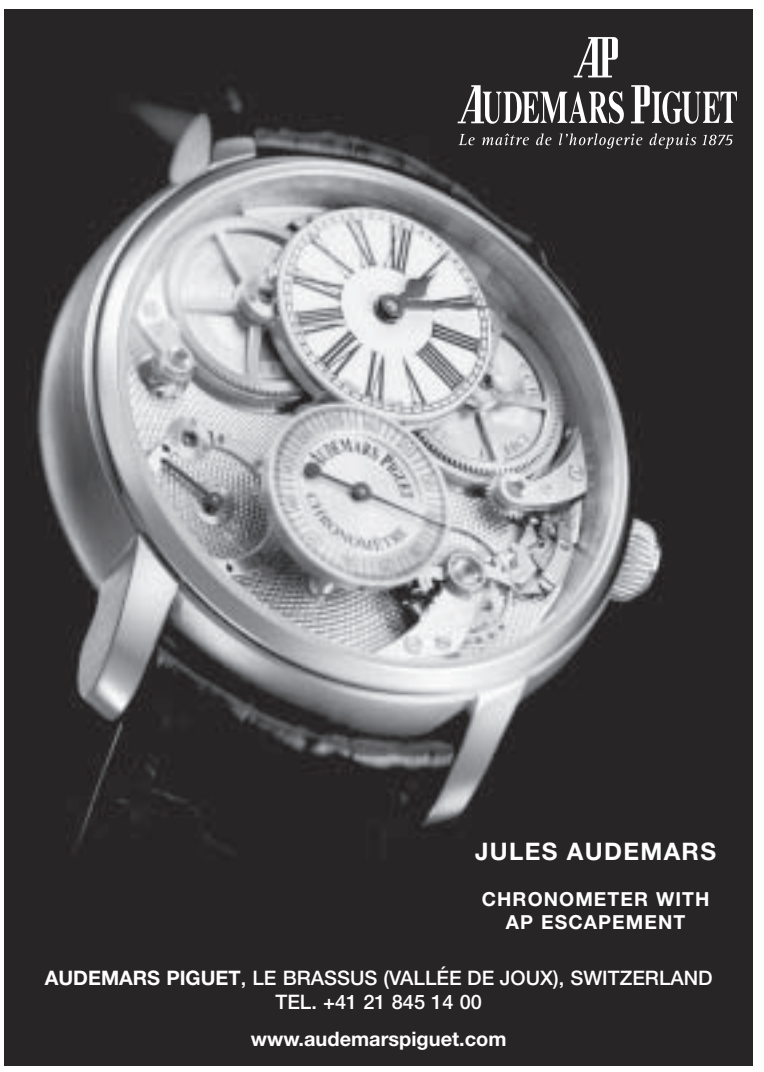
"As a major hurdle has been cleared for the company's [debt] workout, we expect the debt-rescheduling program will pick up speed," said an official at **Woori Bank**, Kumho's main creditor bank.

Creditors will become the largest shareholder in Kumho Industrial, with an 80% stake, after the debt-equity swap, Woori Bank said.

"The rights issue [will] take place on Tuesday, and the shares will resume trading on Wednesday after being suspended," a Korea Exchange official said by telephone.

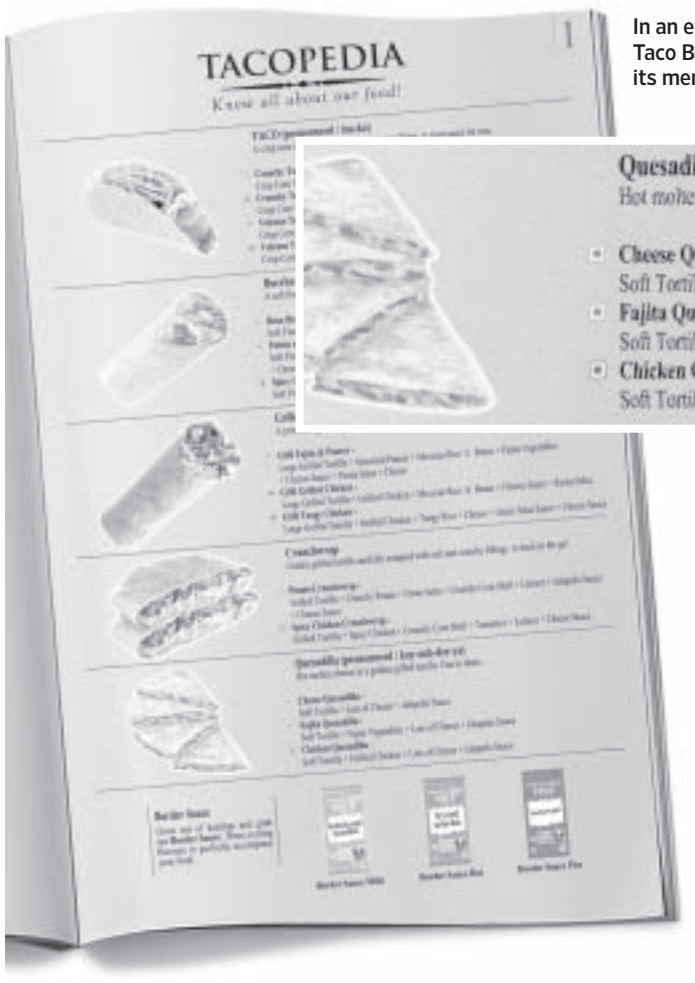
The payment for the new shares will be made March 30, and they will be listed on the main exchange April 29, the company said Monday in a public disclosure.

On Friday, as part of the workout program, creditors agreed to a debt-for-equity swap, as well as to postponing repayments of some debts; the injection of fresh loans worth 360 billion won by creditors; and asset sales worth one trillion won.



Taco Bell's novelty is a hit in India

Yum Brands' first Mexican-food outlet draws an increasingly affluent population hungry for new experiences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Chicken Quesadilla -
Soft Tortilla + Grilled Chicken + Lots of Cheese + Jalapeño Sauce

Taco Bell

In an effort to familiarize consumers with its products, Taco Bell created a 'Tacopedia,' with the core items on its menu, including ingredients and pronunciation.

By Eric Bellman

MUMBAI—Taco Bell is off to a promising start in India, with thousands of customers visiting the American fast-food chain's first Indian outlet daily, even though most have never tasted a taco.

Encouraged by strong growth at its KFC and Pizza Hut chains in India, **Yum Brands** Inc. opened its first Taco Bell in Bangalore on March 16. The store in a mall in India's technology capital has attracted an average of 2,000 to 2,500 customers each day since then.

India—with an increasingly affluent populace that isn't afraid to try new things—is the next frontier for international fast-food chains, said Graham Allan, president of Yum's international division.

"What we are seeing in India is similar to what we saw in China a decade ago," he said. "You have a young population with improving standards of living and an enthusiasm to embrace Western brands."

The group hopes to more than quadruple the total number of Pizza Hut, KFC and Taco Bell stores over the next five years to 1,000. Taco Bell will probably grow to between 50 and 100 branches during that time, Mr. Allan said.

To attract the Indian customer, Taco Bell's menu starts at 18 rupees, or about 40 cents. It is hoping that price is the sweet spot: just below what is on the McDonald's menu and just above street-food prices in the cities.

Taco Bell had to take all the beef out of its regular menu, using chicken instead, and it created many vegetarian options for Indian consumers. Its "Crunchy Taco—Potato" and "Paneer [cheese] and Potato Burritos" are attempts to give Indian consumers a Mexican fast-food experience without the meat.

Yum Brands hired extra employees to explain the menu to Mexican-food novices and placed what it calls a "tacopedia" on the wall so customers will know what they are getting and how to pronounce it.

"These are totally new forms of food [in India], and people will not always get it," said said Niren Chaudhary, managing director of Yum's India business. "Quesadilla is going to be a tongue twister for some."

Yum brands and others in the restaurant industry have increased their attention on international markets in the past 10 years as the U.S. has become saturated with fast-food chains.

Yum's India push will put it in a race for the appetites of consumers in one of the world's most populous countries. It operates more than 70 KFCs in India, compared with **McDonald's** Corp.'s more than 170 outlets. It has about 160 Pizza Huts, while **Domino's Pizza** Inc. has approximately 275 stores.

In another fast-food first for India, Taco Bell is introducing bottomless beverages. However Mr. Chaudhary said their bottomless Pepsi promotion hasn't been attracting as many customers back for refills as he had expected. He thinks it could be because the stores are too crowded.

—Arlene Chang contributed to this article.

China tackles its pension gap

BEIJING—China's national pension fund aims to step up its overseas investment and to more than double its total assets over the next five years to nearly $300 billion.

Dai Xianglong, chairman of the National Council for Social Security Fund, said the fund aims to increase its investment in overseas capital markets including those of the U.S. and Europe, and that it is considering directly buying stakes in unlisted companies as well as investing in overseas private-equity funds. Speaking at a rare media briefing Monday, Mr. Dai said the fund hopes to increase its total assets to two trillion yuan ($293 billion) by 2015 from 776.5 billion yuan at the end of last year.

The ambitious goal outlined by Mr. Dai, a former governor of China's central bank, suggests the pension fund isn't satisfied with the limited investment options it has at home. While it has made large returns on some of those investments, such as its holdings in Chinese banks, Mr. Dai said the fund still "has big space" to expand overseas investment. He said that less than 7% of the fund's assets have been invested overseas, well below the 20% ceiling approved by the government.

The comments also highlighted the pressure China faces to meet demand for its pension fund as its population ages. The pension fund was set up in 2000 to provide for retirees as China's socialist system was dismantled in favor of a market-oriented approach. The government allocates revenue to the fund and also requires 10% of the proceeds from initial public offerings by state companies to be injected into it. The pension fund is allowed to invest overseas with foreign-currency-denominated assets derived from the sale of state-owned stakes in companies' overseas IPOs.

Mr. Dai said the pension program's funding channels need to be broadened. "By 2030, the gap for the pension fund will be very huge due to an aging population," he said. "The central government must be far-sighted...The Social Security Fund needs to increase its financing capabilities and expand its size."

The 65-year-old Mr. Dai, who has run the Social Security Fund since 2008, said the options being studied for new funding include allowing the pension fund to issue bonds, or transferring some of the proceeds from the sale of strategic national resources to the fund. But he said the decision is up to the central government.

The Social Security Fund's investment profit last year totaled 84.9 billion yuan, a return of 16.1%, Mr. Dai said. That helped boost the fund's average annual return since 2000 to 9.8%, he said. In 2008, the fund lost 39.37 billion yuan, or 6.8%, its first loss since it was established.

The Social Security Fund's plan to invest more overseas, potentially through private-equity funds, suggests it isn't satisfied with investment options at home.

About 60% of the fund's 2009 return came from stock-market investments. The fund also had a return of more than 250% over three to four years on its holdings in state-owned banks, such as Industrial & Commercial Bank of China Ltd. and Bank of Communications Co., Mr. Dai said. He said the fund is committed to investing 20 billion yuan in **China Development Bank** Corp., and 15 billion yuan in **Agricultural Bank of China** Ltd., another two of the country's state-owned lenders.

Mr. Dai offered a vote of confidence in the West, saying he believes the U.S. economy will recover gradually while the sovereign-debt crisis in Greece is unlikely to get worse.

The pension-fund chief said he hopes that, after an initial stage of "study and exploration," the Social Security Fund can get approval to take stakes directly in unlisted companies or invest in overseas private-equity funds. He said the fund has been in talks with some Hong Kong-based financial institutions on the matter that he hopes "can be successful." He didn't elaborate.

Mr. Dai said the Chinese yuan is on a long-term appreciation trend, but its rise is likely to have a minimal impact on the fund's returns on overseas investments in local-currency terms. He added the U.S. dollar is likely to remain a key international currency.

Domestically, where the fund is one of the biggest institutional investors, Mr. Dai said "we favor the long-term prospects for China's securities markets." He said the fund doesn't rule out investing in domestic stock-index futures, which China plans to launch April 16. The fund may also participate in margin trading or short-selling transactions through external investment managers, Mr. Dai said.

The fund has also invested in other sectors including infrastructure projects such as the Beijing-Shanghai high-speed railway and Datang Telecom Technology Co., Mr. Dai said.

—Victoria Ruan

Legal Notices

International Notices

IN THE MATTER OF THE SCHEMES OF ARRANGEMENT OF MARCONI CORPORATION PLC AND MARCONI PLC

On 19 May 2003, Marconi Corporation plc ("Corp", now known as telent Ltd) and Marconi plc ("plc", now known as M (2003) plc) implemented separate schemes of arrangement pursuant to Section 425 of the Companies Act 1985 (the "Schemes").

The Schemes compromised the claims of Scheme Creditors. A Scheme Creditor is any person who had a claim against Corp and/or plc as at 27 March 2003, and includes the definitive holders of the 2010 and 2030 Yankee bonds dated 19 September 2000 and the 2005 and 2010 Eurobonds dated 30 March 2000 which were issued by Corp and guaranteed by plc.

The Schemes provide that meetings of Scheme Creditors are to be convened at least once every year. Notice is hereby given by the Scheme Supervisors of a meeting of the Scheme Creditors of Corp and plc for the purposes of laying before the meetings the Supervisors' report on the operation of the Schemes since the previous report, dated 7 April 2009.

The meetings are to be held concurrently on Tuesday 18 May 2010 at the offices of KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB, UK at 10.30am.

Scheme Creditors may attend in person and can obtain a copy of the relevant report of the Scheme Supervisors from Richard Heis at KPMG, 8 Salisbury Square, London, EC4Y 8BB, UK.

Scheme Creditors may dial into the meeting using the following details: 0800 389 1688 UK or +44 (0) 20 7940 5765 International. Pin Number 57843806 #.

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CORPORATE NEWS

Nestlé takes a social-media beating

By Emily Steel

For nearly two weeks, environmental activists have been using social media to wage war against **Nestlé** SA over its purchases of palm oil for use in KitKat candy bars and other products, catching the Swiss food giant off guard.

Protesters have posted a negative video on YouTube, deluged Nestlé's Facebook page and peppered Twitter with claims that Nestlé is contributing to destruction of Indonesia's rain forest, potentially exacerbating global warming and endangering orangutans. The allegations stem from Nestlé's purchases of palm oil from an Indonesian company that Greenpeace International says has cleared rain forest to establish palm plantations.

Nestlé says it had already decided to stop dealing with the firm, Sinar Mas, which supplied just 1.25% of the palm oil Nestlé used last year. It says it bought only a tiny fraction of the firm's output, so any impact was negligible, and that it is working toward buying only environmentally sustainable palm oil. (Though Nestlé makes KitKat bars in other markets, Hershey, which isn't involved in the battle with Greenpeace, makes the brand in the U.S.)

"We, like Greenpeace and many others, abhor destruction of the rain forests and will not source from companies where there is verifiable evidence of environmental damage," Nestlé spokeswoman Nina Backes said.

Attempts to reach a spokesman for Sinar Mas on Monday were unsuccessful.

The company has in the past denied claims that it improperly cleared forest and has said it is committed to protecting the environment. It also announced a "revitalized" strategy earlier this year aimed at meeting commitments toward "environmentally sustainable production" of palm oil, including a promise not to convert lands with "high conservation value."

Greenpeace, which is coordinating the protest, says Nestlé hasn't done enough and is continuing to buy the disputed firm's oil as part of batches mixed by third-party suppliers. Nestlé says it is pressuring its providers to scrutinize their supply chains to keep that from happening, but it has had trouble making itself heard above the din.

The difficulty with social media, says Ms. Backes, is "to show that we are listening, which we obviously are, while not getting involved in a shouting match."

Activist groups have long used Web sites, grass-roots email campaigns and videos to publicize their causes. But the attack on Nestlé is part of a new wave of digitally savvy protests, marketing experts say.

"This is the place where major corporations are very vulnerable," says Daniel Kessler, press officer at Greenpeace.

Indeed, some companies have already seen their images tarnished by digital media.

Last year, two employees of Domino's Pizza Inc. posted a Web video of themselves blowing their noses on pizzas.

The company responded within 24 hours with a statement on its Web site telling consumers it knew about the video and had found the pranksters.

The next day, J. Patrick Doyle, then the company's president and now its chief executive, made a video to apologize and say the employees had been fired and were facing criminal charges.

"We were honest. We were honest in our anger, we were honest in our approach, and I think people could sense that," says Tim McIntyre, Domino's vice president for communications.

Mr. McIntyre says the company is now more vigilant in monitoring how consumers talk about its brand on social media, tries to be quicker in its response and has instituted a social-media code of conduct for employees.

For Nestlé, the trouble began March 17 when Greenpeace released a report on the company's palm-oil use. On the report's cover was an altered version of the KitKat logo, with the brand's name changed to "Killer."

The same day, Greenpeace protested outside the company's corporate headquarters and posted a mock KitKat commercial on the Web showing an office worker opening the candy's wrapper and snacking on a bloody orangutan finger.

Thousands of protesters visited Facebook and Twitter and shared the video across the Web. Some Facebook users replaced their profile pictures with the "Killer" logo and posted negative comments about Nestlé on its Facebook fan page. The postings continue, with many of them encouraging a boycott of Nestlé products, but the number peaked last week, according to Nielsen Co.

Associated Press

Outside Nestlé's local offices in Jakarta, Indonesia, last week, Greenpeace activists protested the company's purchases of palm oil from a firm they say destroys rain forests.

In the protest's first days, Nestlé asked Google's YouTube video site to remove the mock commercial, citing copyright infringement, Ms. Backes says. YouTube pulled the video, but it continued to spread on the Web.

Nestlé also told Facebook users it would delete their comments from its Facebook page if they included the altered logo. Social-media experts say that only incited the protesters. Nestlé's fan base on Facebook, now mostly protesters, swelled to more than 95,000.

Late last week, Ms. Backes says, Nestlé resumed posting information on Facebook to tell consumers about its palm-oil sourcing practices. She says it is too soon to judge whether sales of KitKats or other Nestlé products have been affected by the protests.

"Like all companies, we are learning about how best to use social media, particularly with such complex issues," Ms. Backes says. "What we take out of this is that you have to engage."

SJM plays down casino cap

By Kate O'Keeffe

HONG KONG—Casino operator **SJM Holdings** Ltd. said Monday the Macau government's new policy to cap gambling tables won't affect the company because it has no short-term expansion plans.

SJM Chief Executive Ambrose So said the company will hold back its plans to expand in Macau's Cotai area for now because "we think that the critical mass hasn't grown to such an extent that would warrant our investment there."

He said SJM, Macau's biggest casino operator by revenue, operates 1,700 gambling tables. "We can always reshuffle our tables to boost efficiency," Mr. So said.

Macau's top gambling official, Francis Tam, told legislators last week that the total number of gambling tables in the city will be capped at 5,500 from the current 5,000 and the government won't approve new casino projects until 2013. The cap comes amid concerns that Macau's gambling market is expanding at an unsustainable pace.

Mr. So said he believes the policy is aimed at future expansion projects, adding that he doesn't think the government would ask any of the six casino operators to cut back on current tables.

For SJM, the poor health of its 88-year-old chairman, casino mogul Stanley Ho, has pushed down the value of its stock in recent months, analysts say. Mr. Ho left the hospital earlier this month after a seven-month stay.

But Mr. So said he doesn't believe Mr. Ho's health will affect the management of the company.

"One thing we have to separate is ownership and management. Ownership is within his family. Management...we have independent directors and we have professionals running the casino operation," Mr. So said.

Mr. So said he expects Macau's casino gambling revenue to rise in a range of 13% to 15% this year, up from a 9.7% rise in 2009.

SJM on Monday said 2009 net profit rose 14% to 906.7 million Hong Kong dollars ($116.8 million) amid stronger gambling revenue in the second half. Revenue rose 22% to HK$34.35 billion last year.

The company proposed a final dividend of nine Hong Kong cents, compared with six cents last year.

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CORPORATE NEWS

Geely hopes to boost Volvo globally

Car maker sees potential for Swedish brand in and out of China; for Ford, sale ends distraction of money loser

By Matthew Dolan And Norihiko Shirouzu

Agence France-Presse/Getty Images

Geely Chairman Li Shufu, left, Swedish Minister for Enterprise and Energy Maud Olofsson and Volvo Cars Chief Executive Stephen O'Dell announced the deal at Volvo headquarters in Gothenburg, Sweden, on Sunday.

Ford Motor Co.'s sale of Volvo to **Zhejiang Geely Holding Group** Co. could help the Chinese car maker further its global ambitions while allowing Ford to exit a money-losing business that was a distraction from its core operations.

Geely Chairman Li Shufu plans to radically slash the Swedish car maker's costs in areas such as product-development and manufacturing by tapping relatively cheap labor in China, people familiar with the situation say.

At the same time, he hopes to use Volvo's upscale reputation to boost sales of the brand in China.

He is interested in adding two or three bigger, more luxurious cars to its product lineup over the next three to four years, to increase sales around the world but especially in China, a person familiar with the matter said.

Under an ambitious turnaround plan Mr. Li has developed, Volvo would aim to sell nearly a million vehicles a year within four to five years. That would represent an increase from recent annual sales of about 400,000 vehicles.

Geely plans to build a Volvo plant in China capable of producing 300,000 vehicles a year.

Geely believes Volvo has the potential to sell 200,000 cars a year in China and the other 100,000 vehicles in the rest of Asia.

The company also wants to use Volvo's manufacturing capacity fully in Europe to sell 600,000 vehicles there and in North America.

On Sunday, Mr. Li said Volvo operations will continue in Europe and Volvo would remain an independent brand with its own management team.

For Ford, the deal—which requires government approvals— represents the culmination of CEO Alan Mulally's strategy of getting rid of noncore brands.

He earlier disposed of Aston Martin, Land Rover and Jaguar.

While Mr. Mulally can now redouble efforts to improve the core Ford brand, questions linger about the long-term future of its Lincoln and Mercury brands, which haven't enjoyed the same success.

Ford's true gain may be that the Volvo sale sets Ford up for another debt-for-equity swap.

The company is desperate to lower its debt—which costs the company hundreds of dollars on every vehicle it sells—and an improved balance sheet post-Volvo could give debt holders new confidence that such a swap is an ttractive idea.

In this area, General Motors Co.—which has been much less successful in disposing of unwanted brands—has an advantage.

GM reduced its cost per vehicle by as much as $6,000 through debt restructuring in its bankruptcy reorganization.

Chrysler expedites debut for 300 sedan

By Jeff Bennett

Bloomberg News

Chrysler aims to launch a redesigned 300 model in the U.S. in November.

Chrysler Group LLC is rushing to accelerate the U.S. launch of its redesigned flagship sedan, a once hot-selling model whose sales have slipped, as part of a push to keep on track its ambitious turnaround plan, said three people familiar with the matter.

The company is off to a sluggish start this quarter, and now needs a sales surge later this year to hit its target of selling 1.1 million vehicles in the U.S. When the car maker set the 2010 goal in November it predicted it would break even this year.

Chrysler, which is under the management control of **Fiat** SpA, will get help in May when a new version of its Jeep Grand Cherokee goes on sale at U.S. dealerships. The restyled version of one of the company's top-selling models features a more fuel-efficient engine and a higher-quality interior.

In hopes of spurring sales later in the year, Chrysler also is making plans to move up the U.S. launch of the restyled Chrysler 300 sedan by three to four months, to November from the first quarter of 2011, these people said.

The new 300 model, as with the Jeep, features a sleeker exterior and a better grade of interior materials such as softer plastics, an area where Chrysler has come in for criticism.

The current 300, with a bold front grille and styling that some likened to a gangster car, was a hit when Chrysler started selling it in 2005. But sales have fallen in recent years. The car competes against **Toyota Motor** Corp.'s Avalon, **General Motors** Co.'s Buick Lucerne, **Ford Motor** Co.'s Taurus and other large sedans.

Chrysler also is working to raise production of the new six-cylinder engine that will make its debut in the reworked Grand Cherokee, these people said. Increased supply would enable Chrysler to offer the so-called Pentastar engine in other models this year, including the 300, they said. The engine could help win customers looking for a combination of power and fuel economy.

Chrysler is making the moves as it nears the one-year anniversary of its Chapter 11 bankruptcy filing on April 30. As part of a strategy worked out by the U.S. government, Chrysler formed an alliance with Italy's Fiat. In November, Sergio Marchionne, who serves as chief executive of both auto makers, outlined a turnaround plan that envisions Chrysler breaking even this year and generating a profit in 2011.

The plan is based on a forecast that Chrysler's U.S. sales will rise 18% this year, from 931,402 cars and light trucks in 2009 to 1.1 million in 2010. But in the year's first two months, sales fell 3.2%, and analysts expect another decline when March sales are reported Thursday.

Chrysler sales this year through February fell to 141,592 vehicles, the lowest for the company in 30 years, according to Ward's Automotive Group.

To hit its target, Chrysler must now sell at least 95,000 vehicles a month for the rest of the year. It has reached that level only once in the past 14 months.

In addition, half or more of the vehicles Chrysler sold in January and February were purchased by rental-car companies and other fleet customers, said people familiar with the matter. That suggests Chrysler is having some trouble winning over individuals who buy cars through dealerships.

Mr. Marchionne's plan envisions such retail sales making up more than 70% of the total, and lower-margin fleet sales less than 30%.

Tom Stallkamp, a former senior Chrysler executive who is now a partner at Ripplewood Holdings LLC, a private-equity firm, said it will be hard for Chrysler to make up for sales it is losing out on now. "They are giving away their customers and you can't win them back later in the year, especially when you have more competition out there," he said, noting that Toyota, **Honda Motor** Co. and **Hyundai Motor** Co. are offering attractive incentives to gain market share.

A Chrysler spokesman, Gualberto Ranieri, said the company is sticking with its U.S. sales target. "The goal is for 1.1 million and Mr. Marchionne has never missed a target," he said. He declined to comment on Chrysler's financial situation.

Toyota sets Mazda deal

Continued from page 17

its current strength in sales and production.

The Japanese car maker manufactured 655,180 vehicles in February world-wide. That was up 83% from 358,573 vehicles in the same month last year, when Toyota cut production to adjust for a collapse in demand in the aftermath of the global financial crisis. However, February's output this year was still 15% below the 767,999 vehicles produced in the same month of 2008.

The production increase came even as Toyota suspended some production lines at five North American plants for five days in early February after the decision to halt sales of eight models because of a problem with accelerator pedals. Toyota added one more nonproduction day at a plant in the U.S. in late February.

In Japan, the car maker halted manufacturing of two hybrid models—the Sai and the Lexus HS250h—for eight days in February as it prepared to fix problems with antilock braking systems.

Toyota decided to suspend other production in the U.S. and Europe in March and April, and in Japan starting this spring. The company said last Thursday that it aims to finalize a plan to streamline production in Japan by summer.

MARKETS

Bank-bailout tax idea gains steam

U.S. and Europe back concept of making lenders pay, but countries differ on the details

By Bob Davis

WASHINGTON—The U.S. and European governments are moving toward a consensus on taxing large banks to cover the cost of any future bailouts rather than asking taxpayers to foot the bill, as happened in past banking crises.

The tax proposals vary. Germany and Sweden would use the money to fund a "resolution authority" that would use the money to shut troubled banks whose failure would put the broader economy at risk. Others, such as France, would assess the fee after a crisis passed.

The U.S. is split. Congress is moving toward imposing a levy to build a fund before a crisis. The Obama administration favors the post-crisis option, a difference that will be worked out as legislation on financial regulation moves through Congress.

The proposals face opposition from banks, who argue that the levies are discriminatory and would limit their capacity to lend.

"Global policy makers should be very cautious about advancing any public policy that removes capital from the system, be it in the form of a tax, a fee or otherwise," said Rob Nichols, president of the Financial Services Forum, a trade association of large U.S. financial institutions.

The possible bank taxes are part of a wave of potential bank regulations on tap in the coming months. In the U.S., now that health-care legislation is effectively complete, Congress and the administration are turning to financial regulation.

Associate Press

The U.K. Conservative Party, led by David Cameron, right, backs a tax on banks to cover future bailout costs.

Similar efforts are under way in Europe, where the International Monetary Fund is proposing a resolution agency for the European Union.

Officials in the U.S., Europe and the IMF say the bank-tax concept has gained so much momentum that it is likely to be on the agenda when the Group of 20 nations meet in Canada in June.

"Reforms would put in practice the principle that large institutions should bear the costs of any losses to the taxpayer," U.S. Treasury Secretary Timothy Geithner said in a speech last week.

French Finance Minister Christine Lagarde called a bank tax "an interesting concept which can take several forms" in an interview earlier this month with French newspaper "Les Echos."

In the U.S., the House and the Senate banking committees have approved proposals to assess banks in advance to finance future rescues. The Obama administration prefers to impose a levy after a crisis, arguing that establishing a fund in advance could encourage bankers to take too much risk.

The administration's proposal would use a temporary government loan to handle crises and then recoup the money from banks later after a crisis.

In the U.K., Prime Minister Gordon Brown has been championing a global levy, including one in which revenue would be used to help pay down deficits, though he will only press ahead if there is an international consensus. The opposition Conservative Party says it will press ahead regardless.

German Chancellor Angela Merkel backs a similar fee and plans to present a plan to her cabinet for approval on Wednesday. She views the levies as part of new financial regulations that she wants taken up by the G-20, said a spokesman.

Support for a bank tax isn't unanimous among the G-20. Canada, which now has an outsized role in the group's deliberations because it hosts this year's meeting, opposes a tax on its banks.

Instead, Canada, whose banks weathered the crisis well, is pressing the G-20 to stiffen leverage requirements. India and China haven't taken firm positions.

—Alistair MacDonald and Patrick McGroarty contributed to this article.

Greece sets $6.71 billion as goal for bond offering

Greece is looking to raise as much as €5 billion ($6.71 billion) from its third syndicated bond offering of the year, just four days after the European Union announced a rescue plan in case of a Greek insolvency.

*By **Clare Connaghan**, **Emese Bartha** And **Mark Brown***

"The book closed and bids were close to between €6 billion and €7 billion," said Petros Christodoulou, head of Greece's Public Debt Management Authority, or PDMA. "Given the peculiarity of a seven-year offering which targets only specific investors, the placement was very successful," he added.

The deal is expected to yield around 6.01%-6.02%, compared with the 2.67% interest paid on comparable German government bonds. The price suggests that Greece will be paying about 3.4 percentage points more than Germany on equivalent debt, which is still much more than it would like to pay. Earlier this month, Greek officials indicated that ideally they wouldn't like to pay more than two percentage points above what Germany does to borrow money in the bond markets.

This latest bond offering will mark a key test of investor confidence as Greece struggles out of its budget crisis. "Spreads are only going to fall when the market sees no refinancing risk and this auction is part of that process," said a senior trader at a Greek bank. "I think this auction was predictable, expected and will be successful."

Greece hired Alpha Bank, Bank of America Merrill Lynch, Emporiki Bank, ING Groep NV and Société Générale SA as joint lead managers for the seven-year euro-denominated bond transaction.

"The biggest challenges in terms of issuance for 2010 could be behind us within six weeks," Société Générale said in a note to investors, recommending long positions in Greek government bonds, "if only up to November 2010, for the carry."

Concerned that Greece's debt crisis could destabilize the euro, EU leaders on Thursday approved financial support for Greece in the form of a standby credit facility with the involvement of the International Monetary Fund. The step was intended to soothe markets and reduce Greece's borrowing costs.

Greece in April has to meet €11 billion in debt-servicing obligations, according to data from the PDMA. In May, €11.646 billion is due.

The country is rated A2 by Moody's Investors Service Inc., and triple-B-plus by Standard & Poor's Corp. and Fitch Ratings.

Separately, IMF Managing Director Dominique Strauss-Kahn said Monday that the fund won't make a move to help Greece until the Greek government requests assistance, but is ready to help the country if requested.

"It will depend on Greece," Mr. Strauss-Kahn said at a lecture at the Warsaw School of Economics. "We won't move until the Greeks ask us for help. I hope they won't."

—Costas Paris, Nick Skrekas, Marynia Kruk and Marcin Sobczyk contributed to this article.

Treasurys start week mostly lower after sales

By Deborah Lynn Blumberg

NEW YORK—Treasurys were off to a weak start Monday, although short-maturity Treasury prices rose a bit after sharp losses last week.

U.S. CREDIT MARKETS

In noon trade, the two-year note was up by 1/32 at 99 29/32 to yield 1.0475%, while the 10-year was off 7/32 at 97 30/32 to yield 3.8779%. The 30-year bond was down 19/32 at 97 14/32, yielding 4.7868%.

Traders said long-term Treasurys were already under some pressure ahead of next week's auctions of 10- and 30-year Treasurys. Market participants are nervous about the sales because last week's two-, five- and seven-year sales garnered less demand than expected, forcing the government to pay up to find the new notes a home.

The 10-year Treasury yield, which moves inversely to its price, jumped by almost 0.20 percentage point last week.

Traders said that they expected trading Monday to be slow as investors await the key event of the week—Friday's nonfarm payrolls report, which comes ahead of the market's noon closing for the Easter holiday.

Expectations are that the latest jobs report will show that the economy gained 203,000 jobs in March, according to a Dow Jones Newswires survey of economists. Economists also expect the unemployment rate to remain at 9.7%.

Hong Kong to alter disclosure rules

Continued from page 17

"What constitutes price-sensitive information is rather uncertain and subject to interpretation, and it's something that sometimes can be judged only after the fact," Mr. Wong said.

The disclosure issue attracted attention in the autumn of 2008 after Hong Kong-listed conglomerate Citic Pacific Ltd. kept silent for six weeks about huge foreign-exchange losses, saying it decided to keep the information secret in order to unwind the trades and limit their losses.

Police and SFC regulators launched investigations into allegations that the company had released false information during the six weeks about the condition of its balance sheet. A Citic Pacific spokesman declined to comment on the allegations amid the ongoing investigations. After the losses were revealed, the company's chairman and managing director stepped down. State-controlled parent Citic Group installed a new chairman who has helped implement a number of changes.

Asia borrowers turn offshore at quarter end

By Ditas Lopez

India's **Bank of Baroda** revived a bond offering Monday that it had shelved early last month, while **Woori Bank** became the latest South Korean issuer to open an order book for a global issue, beating other Asian borrowers hoping to raise offshore funds before the first quarter ends.

BOND MARKETS

Hana Bank, also from South Korea, began a series of meetings with global investors Monday, although it remains unclear if a bond deal will follow immediately after its three-day roadshow ends Wednesday.

Bank of Baroda on Monday offered to pay a spread of 2.35 percentage points over the comparable U.S. Treasurys yield for a 5½-year senior bond that it hoped to price later in the day, a person familiar with the deal said.

Rated Baa2 by Moody's Investors Service and triple-B-minus by Fitch Ratings, Bank of Baroda walked away from a bond transaction in February, saying it wanted to wait for the right pricing. The bank had planned to raise $300 million to $500 million from the sale.

Woori Bank, the main banking unit of **Woori Finance Holdings** Co. and South Korea's second-largest bank, could price a fixed-rate senior bond later Monday, people familiar with the deal said.

The bank has offered to pay 2 to 2.1 percentage points over the 2.275% February 2015 Treasury yield, these people said. It is raising the funds as part of a $7 billion global medium-term note program.

Japanese bonds

The yield on the benchmark 10-year Japanese government bond rose to a 19-week high in Tokyo as investors liquidated government-bond holdings before the end of the country's fiscal year on March 31.

The 10-year yield was up 0.02 percentage point at 1.395%. That was its highest level since Nov. 12 last year, when it marked 1.425%.

—Andrew Monahan contributed to this article.

FUND SCORECARD

Sector Equity Other

funds have meaningful sector concentrations, but do not fit in a Sector Equity category. funds invest at least 75% of total assets in equities. They concentrate their assets in less than four sectors, and invest more than 10% of equity assets in each of those sectors. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending March 29, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
NS	**eQ Emerging Agri Sector 2**	AS Trigon Funds	EUR	Estonia	**8.36**	145.30	NS	NS
NS	**DnB NOR Navigator**	DnB NOR Kapitalforvaltning AS	NOK	Norway	**5.15**	97.42	-16.87	15.28
NS	**DnB NOR Navigator (I)**	DnB NOR Kapitalforvaltning AS	NOK	Norway	**4.85**	94.85	-17.22	NS
NS	**AmGlobal Agribusiness**	AmInvestment Services Berhad	MYR	Malaysia	**3.48**	71.71	-6.29	NS
NS	**CAAM Funds Global Agriculture C**	Crédit Agricole-LCL	USD	Luxembrg	**3.55**	68.31	-7.62	NS
NS	**FIM Brands**	FIM Varainhoito Oy	EUR	Finland	**1.76**	62.96	-8.13	3.90
NS	**ESPA Stock Agriculture A**	ERSTE-SPARINVEST KAG	EUR	Austria	**2.18**	62.45	-13.12	NS
NS	**ODIN Maritim**	ODIN Forvaltning AS	NOK	Norway	**5.31**	62.19	-22.46	4.69
NS	**BlackRock Commodities Income Inv Trust**	BlackRock Investment Managers	GBP	United Kingdom	**1.60**	58.36	-14.65	NS
NS	**Allianz RCM Global Agricult Trds A EUR**	Allianz Global Investors Luxembourg S.A.	EUR	Luxembrg	**2.60**	53.91	NS	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW the relaxed way to invest									
■ AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	03/26	EUR	54.19	-0.8	42.2	-19.3
AllianceBernstein									
■ ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	03/26	USD	10.85	4.6	41.8	-8.0
Am Eq Blend B	US	EQ	LUX	03/26	USD	10.17	4.3	40.5	-8.9
Am Growth A	US	EQ	LUX	03/26	USD	31.81	1.8	40.3	1.0
Am Growth AX	US	EQ	LUX	03/26	USD	34.38	2.0	41.1	1.6
Am Growth B	US	EQ	LUX	03/26	USD	26.68	1.6	38.9	0.0
Am Growth C	US	EQ	LUX	03/26	USD	28.75	1.7	39.6	0.6
Am Growth I	US	EQ	LUX	03/26	USD	35.32	2.0	41.4	1.8
Am Income A	US	BD	LUX	03/26	USD	8.56	2.5	27.4	7.2
Am Income A2	US	BD	LUX	03/26	USD	19.60	2.9	27.4	7.2
Am Income A2	OT	OT	NA	03/26	HKD	152.15	2.9	27.4	7.2
Am Income AT	OT	OT	NA	03/26	HKD	66.60	3.0	27.4	7.2
Am Income AT	US	BD	LUX	03/26	USD	8.58	3.0	27.4	7.2
Am Income B	US	BD	LUX	03/26	USD	8.56	2.4	26.4	6.4
Am Income B2	US	BD	LUX	03/26	USD	16.86	2.7	26.4	6.4
Am Income B2	OT	OT	NA	03/26	HKD	130.88	2.7	26.4	6.4
Am Income BT	OT	OT	NA	03/26	HKD	66.91	2.8	26.4	6.5
Am Income BT	US	BD	LUX	03/26	USD	8.62	2.8	26.4	6.5
Am Income C	US	BD	LUX	03/26	USD	8.56	2.4	26.8	6.7
Am Income C2	US	BD	LUX	03/26	USD	25.09	2.8	26.8	6.7
Am Income I	US	BD	LUX	03/26	USD	8.56	2.6	28.2	7.9
Am Value A	US	EQ	LUX	03/26	USD	8.87	4.0	30.4	-6.7
Am Value B	US	EQ	LUX	03/26	USD	8.14	3.7	29.0	-7.7
Am Value C	US	EQ	LUX	03/26	USD	8.86	3.9	29.7	-7.1
Am Value I	US	EQ	LUX	03/26	USD	9.56	4.1	31.5	-6.0
Emg Mkts Debt A	GL	BD	LUX	03/26	USD	15.95	3.6	42.6	9.9
Emg Mkts Debt A2	GL	BD	LUX	03/26	USD	20.92	4.0	42.4	9.9
Emg Mkts Debt AT	GL	BD	LUX	03/26	USD	16.06	4.1	42.6	10.0
Emg Mkts Debt B	GL	BD	LUX	03/26	USD	15.95	3.5	41.3	8.8
Emg Mkts Debt B2	GL	BD	LUX	03/26	USD	20.11	3.9	41.0	8.9
Emg Mkts Debt BT	GL	BD	LUX	03/26	USD	16.03	3.9	41.0	8.8
Emg Mkts Debt C	GL	BD	LUX	03/26	USD	15.95	3.6	42.0	9.4
Emg Mkts Debt C2	GL	BD	LUX	03/26	USD	20.54	3.9	41.8	9.4
Emg Mkts Debt I	GL	BD	LUX	03/26	USD	15.95	3.7	43.4	10.5
Emg Mkts Growth A	GL	EQ	LUX	03/26	USD	34.41	-0.7	63.2	-8.5
Emg Mkts Growth B	GL	EQ	LUX	03/26	USD	29.09	-1.0	61.5	-9.4
Emg Mkts Growth C	GL	EQ	LUX	03/26	USD	29.79	-0.8	62.4	-8.9
Emg Mkts Growth I	GL	EQ	LUX	03/26	USD	38.21	-0.5	64.5	-7.8
Eur Growth A	OT	OT	LUX	03/26	USD	9.91	5.1	42.4	-7.7
Eur Growth A	OT	OT	LUX	03/26	EUR	7.39	5.1	42.4	-7.7
Eur Growth B	OT	OT	LUX	03/26	EUR	6.63	4.9	41.1	-8.6
Eur Growth B	OT	OT	LUX	03/26	USD	8.89	4.9	41.1	-8.6
Eur Growth C	EU	EQ	LUX	03/26	EUR	5.59	4.9	41.5	-8.2
Eur Growth I	OT	OT	LUX	03/26	USD	10.83	5.2	43.6	-7.0
Eur Growth I	OT	OT	LUX	03/26	EUR	8.07	5.2	43.6	-7.0
Eur Income A	OT	OT	LUX	03/26	EUR	6.83	4.5	53.4	8.8
Eur Income A	OT	OT	LUX	03/26	USD	9.16	4.5	53.4	8.8
Eur Income A2	OT	OT	LUX	03/26	EUR	13.51	5.0	53.3	8.9
Eur Income A2	OT	OT	LUX	03/26	USD	18.12	5.0	53.3	8.9
Eur Income AT	EU	BD	LUX	03/26	EUR	6.85	5.1	53.6	8.9
Eur Income B	OT	OT	LUX	03/26	EUR	6.83	4.4	52.5	8.1
Eur Income B	OT	OT	LUX	03/26	USD	9.16	4.4	52.5	8.1
Eur Income B2	OT	OT	LUX	03/26	EUR	12.55	4.8	52.3	8.1
Eur Income B2	OT	OT	LUX	03/26	USD	16.83	4.8	52.3	8.1
Eur Income BT	EU	BD	LUX	03/26	EUR	6.85	4.8	52.4	8.1
Eur Income C	OT	OT	LUX	03/26	EUR	6.83	4.4	52.8	8.4
Eur Income C	OT	OT	LUX	03/26	USD	9.16	4.4	52.8	8.4
Eur Income C2	OT	OT	LUX	03/26	EUR	13.45	4.8	52.7	8.4
Eur Income C2	OT	OT	LUX	03/26	USD	18.04	4.8	52.7	8.4
Eur Income I	OT	OT	LUX	03/26	EUR	6.83	4.6	54.1	9.4
Eur Income I	OT	OT	LUX	03/26	USD	9.16	4.6	54.1	9.4
Eur Strat Value A	OT	OT	LUX	03/26	EUR	8.86	3.9	43.6	-13.2
Eur Strat Value A	OT	OT	LUX	03/26	USD	11.88	3.9	43.6	-13.2
Eur Strat Value I	OT	OT	LUX	03/26	EUR	9.09	4.0	45.0	-12.5
Eur Strat Value I	OT	OT	LUX	03/26	USD	12.19	4.0	45.0	-12.5
Eur Value A	OT	OT	LUX	03/26	EUR	9.52	3.5	46.0	-9.1
Eur Value A	OT	OT	LUX	03/26	USD	12.77	3.5	46.0	-9.1
Eur Value B	OT	OT	LUX	03/26	USD	11.71	3.2	44.3	-10.1
Eur Value B	OT	OT	LUX	03/26	EUR	8.73	3.2	44.3	-10.1
Eur Value C	OT	OT	LUX	03/26	USD	12.33	3.4	45.2	-9.5
Eur Value C	OT	OT	LUX	03/26	EUR	9.19	3.4	45.2	-9.5
Eur Value I	OT	OT	LUX	03/26	USD	14.77	3.7	47.0	-8.4
Eur Value I	OT	OT	LUX	03/26	EUR	11.01	3.7	47.0	-8.4
Gl Balanced (Euro) A	OT	OT	LUX	03/26	USD	15.92	3.5	30.4	-5.5
Gl Balanced (Euro) B	OT	OT	LUX	03/26	USD	15.47	3.2	29.1	-6.4
Gl Balanced (Euro) C	OT	OT	LUX	03/26	USD	15.79	3.4	30.1	-5.8
Gl Balanced (Euro) I	OT	OT	LUX	03/26	USD	16.23	3.6	NS	NS
Gl Balanced A	US	BA	LUX	03/26	USD	16.67	1.2	30.8	-7.1
Gl Balanced B	US	BA	LUX	03/26	USD	15.81	0.9	29.6	-8.1
Gl Balanced C	OT	OT	LUX	03/26	USD	16.41	1.0	30.4	-7.4
Gl Balanced C	OT	OT	LUX	03/26	EUR	12.23	1.0	30.4	-7.4
Gl Balanced I	US	BA	LUX	03/26	USD	17.31	1.3	31.7	-6.5
Gl Bond A	US	BD	LUX	03/26	USD	9.37	2.1	16.7	5.2
Gl Bond A2	US	BD	LUX	03/26	USD	16.40	2.4	16.8	5.2
Gl Bond A2	OT	OT	NA	03/26	HKD	127.30	2.4	16.8	5.2
Gl Bond AT	OT	OT	LUX	03/26	HKD	72.89	2.5	16.8	5.2
Gl Bond AT	US	BD	LUX	03/26	USD	9.39	2.5	16.8	5.2
Gl Bond B	US	BD	LUX	03/26	USD	9.37	1.9	15.6	4.1
Gl Bond B2	US	BD	LUX	03/26	USD	14.33	2.2	15.7	4.1
Gl Bond B2	OT	OT	NA	03/26	HKD	111.24	2.2	15.7	4.1
Gl Bond BT	OT	OT	LUX	03/26	HKD	73.12	2.2	15.7	4.2
Gl Bond BT	US	BD	LUX	03/26	USD	9.42	2.2	15.7	4.2
Gl Bond C	US	BD	LUX	03/26	USD	9.37	2.0	16.2	4.7
Gl Bond C2	US	BD	LUX	03/26	USD	14.22	2.4	16.3	4.7
Gl Bond I	US	BD	LUX	03/26	USD	9.37	2.2	17.3	5.7
Gl Conservative A	US	BA	LUX	03/26	USD	15.00	1.4	20.1	-1.8
Gl Conservative A2	US	BA	LUX	03/26	USD	17.15	1.3	20.0	-1.9
Gl Conservative B	US	BA	LUX	03/26	USD	14.99	1.1	18.8	-2.8
Gl Conservative B2	US	BA	LUX	03/26	USD	16.26	1.1	18.9	-2.9
Gl Conservative C	US	BA	LUX	03/26	USD	14.99	1.3	19.6	-2.3
Gl Conservative C2	US	BA	LUX	03/26	USD	16.76	1.2	19.5	-2.3
Gl Conservative I	US	BA	LUX	03/26	USD	15.07	1.5	21.0	-1.0
Gl Eq Blend A	GL	EQ	LUX	03/26	USD	11.68	0.2	40.0	-16.1
Gl Eq Blend B	GL	EQ	LUX	03/26	USD	10.93	-0.2	38.5	-17.0
Gl Eq Blend C	GL	EQ	LUX	03/26	USD	11.46	0.0	39.4	-16.5
Gl Eq Blend I	GL	EQ	LUX	03/26	USD	12.34	0.3	41.2	-15.4
Gl Growth A	GL	EQ	LUX	03/26	USD	42.05	0.3	37.6	-16.3
Gl Growth B	GL	EQ	LUX	03/26	USD	35.02	0.1	36.2	-17.2
Gl Growth C	GL	EQ	LUX	03/26	USD	40.31	0.2	37.0	-16.7
Gl Growth I	GL	EQ	LUX	03/26	USD	46.78	0.5	38.7	-15.7
Gl High Yield A	US	BD	LUX	03/26	USD	4.48	4.9	63.5	8.8
Gl High Yield A2	US	BD	LUX	03/26	USD	9.77	5.5	63.4	8.8
Gl High Yield A2	OT	OT	NA	03/26	HKD	75.84	5.5	63.4	8.8
Gl High Yield AT	OT	OT	NA	03/26	HKD	34.62	5.6	63.3	8.8
Gl High Yield AT	US	BD	LUX	03/26	USD	4.46	5.6	63.3	8.8
Gl High Yield B	US	BD	LUX	03/26	USD	4.48	4.7	61.6	7.4
Gl High Yield B2	US	BD	LUX	03/26	USD	15.67	5.3	61.9	7.7
Gl High Yield B2	OT	OT	NA	03/26	HKD	121.64	5.3	61.9	7.7
Gl High Yield BT	OT	OT	NA	03/26	HKD	35.16	5.1	61.7	7.7
Gl High Yield BT	US	BD	LUX	03/26	USD	4.53	5.1	61.7	7.7
Gl High Yield C	US	BD	LUX	03/26	USD	4.48	4.8	62.7	8.2
Gl High Yield C2	US	BD	LUX	03/26	USD	14.47	5.5	62.8	8.3
Gl High Yield I	US	BD	LUX	03/26	USD	4.48	5.0	64.6	9.5
Gl Thematic Res. A	OT	OT	LUX	03/26	USD	14.85	0.8	56.3	-0.3
Gl Thematic Res. B	OT	OT	LUX	03/26	USD	12.96	0.5	54.7	-1.3
Gl Thematic Res. I	OT	OT	LUX	03/26	USD	16.59	1.0	57.5	0.5
Gl Value A	GL	EQ	LUX	03/26	USD	11.14	0.0	42.8	-15.9
Gl Value B	GL	EQ	LUX	03/26	USD	10.21	-0.3	41.4	-16.7
Gl Value C	GL	EQ	LUX	03/26	USD	10.81	-0.2	42.2	-16.3
Gl Value I	GL	EQ	LUX	03/26	USD	11.87	0.2	44.1	-15.2
Greater China A	AS	EQ	LUX	03/26	USD	39.14	-2.2	46.2	-6.1
Greater China B	AS	EQ	LUX	03/26	USD	34.55	-2.5	44.7	-7.1
Greater China C	AS	EQ	LUX	03/26	USD	38.61	-2.3	45.6	-6.6
India Growth A	OT	OT	LUX	03/26	USD	134.29	5.8	NS	NS
India Growth AX	OT	OT	LUX	03/26	USD	117.47	5.9	122.6	4.1
India Growth B	OT	OT	LUX	03/26	USD	140.35	5.6	NS	NS
India Growth BX	OT	OT	LUX	03/26	USD	100.17	5.6	120.3	3.1
India Growth I	EA	EQ	LUX	03/26	USD	121.88	6.0	123.6	4.5
Int'l Health Care A	OT	EQ	LUX	03/26	USD	143.08	4.1	32.0	-1.6
Int'l Health Care B	OT	EQ	LUX	03/26	USD	120.40	3.8	30.7	-2.6
Int'l Health Care C	OT	EQ	LUX	03/26	USD	136.98	4.0	31.4	-2.1
Int'l Health Care I	OT	EQ	LUX	03/26	USD	156.63	4.3	33.1	-0.8
Int'l Technology A	OT	EQ	LUX	03/26	USD	112.47	1.9	48.4	-3.1
Int'l Technology B	OT	EQ	LUX	03/26	USD	97.23	1.7	47.0	-4.0
Int'l Technology C	OT	EQ	LUX	03/26	USD	108.58	1.8	47.8	-3.5
Int'l Technology I	OT	EQ	LUX	03/26	USD	126.35	2.1	49.6	-2.3
Japan Eq Blend A	JP	EQ	LUX	03/26	JPY	6302.00	4.6	21.9	-12.6
Japan Eq Blend B	JP	EQ	LUX	03/26	JPY	6066.00	4.4	20.6	-13.5
Japan Eq Blend C	JP	EQ	LUX	03/26	JPY	6194.00	4.5	21.3	-13.0
Japan Growth A	JP	EQ	LUX	03/26	JPY	5968.00	1.6	13.5	-14.6
Japan Growth B	JP	EQ	LUX	03/26	JPY	5746.00	1.4	12.4	-15.4
Japan Growth C	JP	EQ	LUX	03/26	JPY	5867.00	1.5	13.0	-15.0
Japan Strat Value A	JP	EQ	LUX	03/26	JPY	6574.00	7.4	30.1	-11.2
Japan Strat Value B	JP	EQ	LUX	03/26	JPY	6335.00	7.2	28.8	-12.1
Japan Strat Value C	JP	EQ	LUX	03/26	JPY	6456.00	7.3	29.5	-11.6
Real Estate Sec. A	OT	EQ	LUX	03/26	USD	14.77	2.9	67.1	-11.2
Real Estate Sec. B	OT	EQ	LUX	03/26	USD	13.47	2.7	65.3	-12.1
Real Estate Sec. I	OT	EQ	LUX	03/26	USD	15.90	3.1	68.3	-10.5
Short Mat Dollar A	US	BD	LUX	03/26	USD	7.35	1.7	14.9	0.0
Short Mat Dollar A2	US	BD	LUX	03/26	USD	9.97	1.8	14.6	-0.2
Short Mat Dollar AT	US	BD	LUX	03/26	USD	7.35	2.0	14.7	-0.1
Short Mat Dollar B	US	BD	LUX	03/26	USD	7.35	1.6	14.4	-0.5
Short Mat Dollar B2	US	BD	LUX	03/26	USD	9.91	1.7	14.0	-0.6
Short Mat Dollar BT	OT	OT	LUX	03/26	USD	7.36	1.8	NS	-0.8
Short Mat Dollar C	US	BD	LUX	03/26	USD	7.35	1.6	14.4	-0.5
Short Mat Dollar C2	US	BD	LUX	03/26	USD	14.02	1.8	14.2	-0.6
Short Mat Dollar I	US	BD	LUX	03/26	USD	7.35	1.8	15.5	0.5

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	02/26	USD	1828.22	8.1	78.9	NS
CREDIT PACIFIC Private Banking & Wealth Management Group									
■ CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	03/26	USD	109.99	9.0	32.2	23.2
PLATINUM CAPITAL MANAGEMENT									
■ PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	12/31	USD	97.22	15.7	15.7	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	12/31	USD	116.00	12.9	12.9	-29.1
Platinm-Emancipation	OT	OT	USA	01/29	USD	94.67	1.7	28.8	-5.0
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	12/31	USD	62.80	37.2	37.2	-26.9
Platinm-Nordic	OT	OT	CYM	01/29	SEK	627.50	1.6	14.6	-12.4
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	01/29	USD	60.80	1.2	NS	-27.0
SUPERFUND									
■ SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	03/23	USD	40.93	0.4	-50.7	-17.8
Superfund GCT USD*	GL	EQ	LUX	03/23	USD	2175.00	-0.9	-40.1	-16.9
Superfund Green Gold A (SPC)	OT	OT	CYM	03/23	USD	964.14	0.0	-18.9	-5.8
Superfund Green Gold B (SPC)	OT	OT	CYM	03/23	USD	933.64	-0.2	-32.3	-12.3
Superfund Q-AG*	OT	OT	AUT	03/23	EUR	6706.00	1.3	-23.4	-3.8
■ WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	02/26	EUR	948.03	0.3	-6.0	NS
Winton Evolution GBP Cls G	OT	OT	CYM	02/26	GBP	955.79	0.7	-5.2	NS
Winton Evolution USD Cls F	OT	OT	CYM	02/26	USD	1203.51	0.4	-5.9	-0.4
Winton Futures EUR Cls C	OT	OT	VGB	02/26	EUR	196.04	-0.4	-5.7	1.6
Winton Futures GBP Cls D	OT	OT	VGB	02/26	GBP	212.20	-0.3	-5.3	2.4
Winton Futures JPY Cls E	OT	OT	VGB	02/26	JPY	13835.61	-0.4	-6.5	-0.6
Winton Futures USD Cls B	OT	OT	VGB	02/26	USD	696.79	-0.4	-5.7	1.3
Allianz Global Investors									
■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	03/29	EUR	53.76	2.9	55.6	-0.9
Industria AE	EU	EQ	DEU	03/29	EUR	72.72	2.6	42.6	-7.7
InternRent AE	EU	BD	DEU	03/29	EUR	37.47	6.9	11.9	12.0
■ CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	03/19	USD	323819.99	18.0	171.4	19.6

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INTERNATIONAL INVESTOR

Material, energy sectors lead U.S. stocks higher

By Kristina Peterson And Donna Kardos Yesalavich

U.S. stocks climbed, driven by a surge in the energy sector, as the dollar weakened and crude-oil prices rose.

The Dow Jones Industrial Average was recently up 51 points, or 0.5%, to 10902, less than 100 points away from the 11000 level the measure last topped in late September 2008.

Industrial components led the advance, as **Boeing** rose 2.3%, extending its recent gains. **Caterpillar** climbed 1.7% and **Alcoa** rose 1.3% as metals futures advanced.

ABREAST OF THE MARKET

Exxon Mobil added 1.2% and **Chevron** advanced 1% as crude-oil futures rose above $82 a barrel.

The Nasdaq Composite climbed 0.5%. The Standard & Poor's 500-stock index also advanced 0.5%.

Citigroup slipped 3.5% in heavy trading after the Treasury Department said it would begin its anticipated sale of roughly 7.7 billion of the bank's common shares this year. Shortly after midday, more than 630,000 shares of Citigroup stock had changed hands in New York Stock Exchange composite trading.

Boosting market sentiment Monday, the Dallas Fed reported that Texas factory activity expanded for the fifth straight month in March, according to business executives responding to its Survey.

Ford Motor slipped 1.7% after the auto maker reached a deal over the weekend to sell Volvo Car to China's Zhejiang Geely Automobiles for $1.8 billion.

European stocks

European shares edged higher, as an advance from miners and **Vodafone Group** worked to offset losses for oil majors and banks.

The Stoxx Europe 600 index rose 0.1% to 263.89. The U.K. FTSE 100 index gained 0.1% to 5710.66, the French CAC-40 index added 0.3% to 4000.66 while the German DAX index climbed 0.6% to 6156.85.

Russia's RTS index traded up 2.3% to close at 1554.08. As many as 40 people were killed Monday by two rush-hour explosions in Moscow's metro system, according to media reports. "Nobody believes that those attacks will be repeated any day soon," says Alexander Zakharov at Otkrtiye brokerage. "The market would have reacted with a sell-off only if any damage was done to major corporations, pipelines, or other strategic sites."

Allied Irish Banks slid 19% and **Bank of Ireland** lost more than 10% in Dublin on reports the government will increase their stakes in the lenders as well as the size of the discount the lenders will have to accept for offloading risky assets.

Vodafone Group rose 3%. The chief executives of Vodafone and Verizon Communications have held informal talks on a possible merger.

Euro gains ahead of Greek debt sale

By Fabio Alves

NEW YORK—The euro extended its rally for a second day as a planned sale of new debt by Greece boosted demand for riskier assets.

The common currency hit a week high against the dollar, surging past the $1.35 level, during overnight trade after the Greek government said it was seeking to raise as much as €5 billion ($6.7 billion) in seven-year bonds to help meet its debt obligations coming due in April.

CURRENCY MARKETS

The euro also jumped to a two-week high against the yen.

The euro has been pressured by investors' concerns about Greece's funding problems. The country has to meet €11 billion in debt service in April, according to data from the Greek debt management agency.

In midday trading, the euro was at $1.3467 from $1.3415 late Friday and at 124.77 yen from 124.12 yen. The dollar was at 92.65 yen from 92.52 yen. The dollar was at 1.0632 Swiss francs from 1.0659 francs, while the U.K. pound was at $1.4968 from $1.4903.

Meanwhile, the Australian dollar led a strong rally in commodities-based currencies after the Reserve Bank of Australia Governor Glenn Stevens, in his first television interview, said interest rates are rising toward more normal settings as the economic activity picks up.

China surges on futures news; Tokyo shares fall

By Shri Navaratnam And Leslie Shaffer

Chinese stocks charged ahead as investors anticipated the start of trading in stock-index futures, shrugging off continuing concern about potential tightening of monetary policy.

The Shanghai Composite jumped 2.1% to end at 3123.80, a two-month high, while Hong Kong's Hang Seng Index rose 0.9% to 21237.43 in response to the gains on the mainland. China said Friday it will launch stock-index futures on April 16—a move that is expected to boost liquidity. The futures will reference the DCSI 300 Index, which comprises 300 yuan-denominated A-shares listed on the Shanghai and Shenzhen stock exchanges.

ASIAN-PACIFIC STOCKS

Australia's S&P/ASX 200 ended nearly flat at 4897.27, and South Korea's Kospi Composite was 0.3% lower at 1691.99. Japan's Nikkei Stock Average of 225 companies shed 0.1% to 10986.47, as many stocks reached their ex-dividend dates, after which investors can no longer receive the annual dividend for their holdings. That prompted some investors to sell those shares ahead of the end of Japan's business year Wednesday.

By contrast, China's shares jumped on expectations that the launch of stock-index futures will increase demand for blue-chip issues.

Shares of insurance companies, which benefit when their stock portfolios rise, advanced. **Ping An Insurance**'s Class A shares rose 4.2%.

Chongqing Water Group soared 73% on its debut in Shanghai. Wang Wei at Guotai Junan Securities said investors are piling into the stock because the company, a major water supplier in Chongqing, is the biggest listed water company in China.

South Korean shares pared earlier losses prompted by political concerns after a naval ship with 46 sailors went missing following an unexplained explosion Friday in the Yellow Sea, near the disputed border with North Korea. Seoul officials haven't suggested Pyongyang was involved.

Woori Finance added 2.3% on expectations its first-quarter earnings will prove solid after the successful bloc sale of its stake in **Hynix Semiconductor** earlier this year.

Earnings expectations also boosted Hynix by 2.8% and **Kia Motors** by 2.6%.

In Tokyo, pharmaceutical stocks, which have relatively higher dividend yields, accelerated losses ahead of the close. **Takeda Pharmaceutical** shed 2.8%, **Eisai** was off 3.4% and **Astellas Pharma** lost 2.8%.

Hitachi advanced 4.5%. The company said it aims to double the revenue from its lucrative railway business over the medium term, and wants overseas projects to make up 60% of its revenue in the sector in the fiscal year ending March 2016.

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GAM

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	03/19	USD	1307.61	5.2	31.2	-5.1
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	03/22	JPY	14639.66	-5.8	63.2	6.8
GAM Asia Equity Hedge US	OT	OT	VGB	03/22	USD	273.64	-5.7	71.2	8.3
GAM Asia Equity USD	OT	OT	VGB	03/26	USD	644.94	-1.4	59.8	-5.2
GAM Asia-Pacific Eq USD	OT	OT	VGB	03/23	USD	1359.38	6.0	47.6	-5.7
GAM Com Glb Bal EUR Op	US	BA	VGB	03/22	EUR	99.07	2.1	28.3	-4.5
GAM Com Glb Bal USD Op	US	BA	VGB	03/22	USD	130.44	2.1	28.3	-4.5
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	03/22	EUR	103.46	2.6	45.8	-8.4
GAM Comp Glb Eq USD Op	GL	EQ	VGB	03/22	USD	130.79	2.6	45.8	-8.4
GAM Comp Glb Gr EUR Op	US	BA	VGB	03/22	EUR	90.27	1.6	32.2	-7.4
GAM Comp Glb Gr USD Op	US	BA	VGB	03/22	USD	129.05	1.6	32.2	-7.4
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	03/19	USD	259.62	4.4	60.6	-1.7
GAM Cross Trading Inc	OT	OT	VGB	03/22	USD	461.08	-1.0	3.5	NS
GAM Diversity CHF Op	OT	OT	VGB	03/22	CHF	94.67	0.4	4.4	-5.3
GAM Diversity EUR Op	OT	OT	VGB	03/22	EUR	651.98	0.5	5.0	-3.8
GAM Diversity USD 2.5XL	OT	OT	VGB	03/15	USD	78.83	0.7	8.2	-16.4
GAM Diversity USD Op	OT	OT	VGB	03/22	USD	684.72	0.6	5.2	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	03/22	CHF	99.88	0.4	3.8	-4.9
GAM Dvrsty II EUR Op	OT	OT	VGB	03/22	EUR	139.46	0.5	4.1	-3.9
GAM Dvrsty II USD Op	OT	OT	VGB	03/22	USD	211.23	0.5	4.4	-4.2
GAM DvrstyIII EUR Op	OT	OT	VGB	03/15	EUR	115.98	0.4	3.3	-4.2
GAM DvrstyIII USD Op	OT	OT	VGB	03/15	USD	122.48	0.4	3.6	-4.4
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	03/22	EUR	225.48	3.0	17.0	0.5
GAM Euro Eq Hdg USD Op	OT	OT	VGB	03/22	USD	209.21	2.9	18.3	2.1
GAM European Equity USD	OT	OT	VGB	03/25	USD	285.51	-2.6	39.9	-10.0
GAM GAMCO	OT	EQ	VGB	03/23	USD	870.90	7.4	75.9	-1.8
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	03/22	EUR	99.36	1.5	15.0	-13.1
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	03/22	USD	104.83	1.6	15.7	-12.2
GAM Gbl Divers USD Inc.	GL	EQ	VGB	03/22	USD	261.08	4.5	50.4	0.4
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	03/22	USD	274.44	-4.3	105.1	29.7
GAM Intrst Trend II	GL	BD	VGB	03/22	USD	111.28	18.2	100.8	2.7
GAM Intrst Trend Inc	OT	OT	VGB	03/22	USD	297.81	18.4	117.6	5.2
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	03/22	EUR	129.36	10.8	29.5	7.8
GAM Japan Eq Hdg USD Op	OT	OT	VGB	03/22	USD	132.41	8.5	27.5	-5.8
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	03/22	JPY	9113.20	8.4	28.6	-5.2
GAM Japan USD	JP	EQ	VGB	03/26	USD	1222.10	10.8	28.4	-8.6
GAM Japan YEN	JP	EQ	VGB	03/26	JPY	9745.82	10.4	23.8	-10.8
GAM Money Mkt EuroOp	EU	MM	VGB	03/25	EUR	51.17	0.7	0.8	1.6
GAM Money Mkt USD	US	MM	VGB	03/25	USD	100.03	0.1	0.0	0.5
GAM Multi-Arb EUR Op	OT	OT	VGB	03/22	EUR	112.88	1.5	1.7	-6.6
GAM Multi-Arb USD Op	OT	OT	VGB	03/15	USD	117.67	1.4	1.4	-7.0
GAM Multi-China EUR Op	OT	OT	VGB	03/22	EUR	165.57	-1.4	10.4	-0.9
GAM Multi-China USD Op	OT	OT	VGB	03/22	USD	174.46	-1.2	11.2	-1.3
GAM Multi-Emer Mkts GBP	OT	OT	VGB	03/22	GBP	132.09	0.4	26.0	0.6
GAM Multi-Emer Mkts USD	OT	OT	VGB	03/22	USD	653.74	0.4	26.1	0.2
GAM Multi-Eur EUR Op	OT	OT	VGB	03/22	EUR	268.84	0.0	6.0	-4.0
GAM Multi-Eur II EUR Op	OT	OT	VGB	03/22	EUR	138.33	0.0	6.0	-4.0
GAM Multi-Eur II USD Op	OT	OT	VGB	03/22	USD	113.06	0.0	5.9	-5.0
GAM Multi-Eur USD Op	OT	OT	VGB	03/22	USD	468.06	0.1	6.0	-4.8
GAM Multi-Nth Am EUR Special	OT	OT	VGB	03/22	EUR	133.67	-0.2	7.2	-0.6
GAM Multi-Nth Am USD Special	OT	OT	VGB	03/22	USD	217.46	-0.3	7.3	-0.7
GAM Multi-Pac EUR Op	GL	EQ	VGB	03/22	EUR	142.53	-0.6	3.5	-1.0
GAM Multi-Pac USD Op	OT	OT	VGB	03/22	USD	164.66	-0.5	3.9	-1.2
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	03/19	USD	2783.21	5.5	74.7	13.8
GAM Sing/Malaysia	AS	EQ	VGB	03/26	USD	2552.52	1.1	69.4	-1.6
GAM Sterling Spe Bd Inc	OT	OT	VGB	03/22	GBP	244.65	6.4	65.5	8.7
GAM Trading EUR Inc	OT	OT	VGB	03/22	EUR	321.65	-1.1	3.2	2.3
GAM Trading USD Inc	OT	OT	VGB	03/22	USD	963.17	-1.0	3.6	1.6
GAM Trdg II IncEUR Op	OT	OT	VGB	03/22	EUR	137.63	-1.0	3.1	2.3
GAM Trdg II IncUSD Op	OT	OT	VGB	03/22	USD	312.75	-1.0	3.6	1.6
GAM Trdg IV IncEUR Op	OT	OT	VGB	03/22	EUR	145.15	-1.1	2.9	2.0
GAM Trdg IV IncUSD Op	OT	OT	VGB	03/22	USD	152.90	-1.0	3.3	1.5
GAM Trdg V IncEUR Op	OT	OT	VGB	03/15	EUR	123.10	-1.1	2.5	2.0
GAM Trdg V IncUSD Op	OT	OT	VGB	03/15	USD	128.33	-1.0	3.1	1.5
GAM TrdgIII IncEUR Op	OT	OT	VGB	03/22	EUR	155.19	-1.2	2.9	2.0
GAM TrdgIII IncUSD Op	OT	OT	VGB	03/22	USD	160.82	-1.0	3.4	1.5
GAM USDSpecBondInc	US	BD	VGB	03/22	USD	586.06	10.6	116.3	14.4
GAM Worldwide	GL	EQ	VGB	03/25	USD	2207.09	-0.8	41.5	-7.1
GAMut Investments	OT	OT	VGB	03/24	USD	7720.97	1.8	3.1	7.1

■ GAM Star Fund Plc

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	03/25	CHF	11.16	1.1	51.7	-2.8
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	03/25	EUR	12.54	5.3	64.7	3.0
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	03/25	GBP	1.67	6.5	58.1	10.5
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	03/25	USD	13.08	-2.5	61.2	-4.8
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	03/25	EUR	112.93	11.6	37.9	0.0
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	03/25	EUR	109.29	11.6	37.9	0.0
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	03/26	EUR	11.56	5.1	42.8	-0.5
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	03/25	EUR	192.85	5.3	45.3	-2.7
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	03/25	EUR	176.22	5.3	45.2	-2.7
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	03/25	USD	15.61	-2.4	42.0	-9.8
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	03/25	USD	14.16	-2.4	41.9	-9.8
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	03/25	USD	6.12	11.6	48.8	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	03/26	EUR	100.42	14.2	27.9	0.3
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	03/26	EUR	100.42	14.2	27.9	0.3
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	03/26	JPY	1014.44	10.1	22.8	-10.6
GAMStar-JpnEq USD Acc	JP	EQ	IRL	03/26	USD	12.26	10.3	26.8	-8.8
GAMStar-World EqUSD Acc	GL	EQ	IRL	03/25	USD	2222.92	-0.7	42.4	-6.6

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
American Growth	US	EQ	LUX	03/29	USD	15.76	3.2	40.1	-6.7
American Growth AA	US	EQ	LUX	03/29	USD	0.91	3.1	39.7	-4.8
Asian Equity	AS	EQ	LUX	03/29	USD	2.45	-0.2	59.2	-3.7
Asian Equity AA	AS	EQ	LUX	03/29	USD	0.79	-0.2	58.6	-4.0
Asian Sm Cap Equity AA	AS	EQ	LUX	03/29	USD	1.23	6.6	105.7	5.1
China Value A	AS	EQ	LUX	03/29	USD	6.99	-1.7	57.1	1.1
China Value AA	AS	EQ	LUX	03/29	USD	2.20	-1.8	56.7	0.9
Dragon Growth	AS	EQ	LUX	03/29	USD	1.63	-1.1	57.6	-1.4
Dragon Growth AA	OT	OT	LUX	03/29	HKD	7.91	-1.0	57.5	-2.0
Emg Eastrn Europe A	EU	EQ	LUX	03/29	USD	4.84	5.0	106.1	-11.9
Emg Eastrn Europe AA	EU	EQ	LUX	03/29	USD	2.08	4.9	105.7	-12.1
European Growth	EU	EQ	LUX	03/29	USD	9.02	-1.5	56.9	-15.4
European Growth AA	EU	EQ	LUX	03/29	USD	0.64	-1.6	56.5	-15.6
Global Contrarain AA	GL	EQ	LUX	03/29	USD	0.93	5.5	82.4	NS
Global Property AA	OT	EQ	LUX	03/29	USD	0.70	3.7	74.4	-8.6
Global Resources AA	OT	EQ	LUX	03/29	USD	1.07	-1.6	38.4	-13.4
Healthcare AA	OT	EQ	LUX	03/29	USD	1.00	6.1	34.3	NS
India Equity AA	EA	EQ	LUX	03/29	USD	1.13	2.5	84.3	-5.1
International Growth	GL	EQ	LUX	03/29	USD	3.10	1.7	36.7	-11.0
International Growth AA	GL	EQ	LUX	03/29	USD	0.72	1.6	36.3	-11.2
Japanese Growth	JP	EQ	LUX	03/29	USD	2.89	4.8	25.2	-9.0
Japanese Growth AA	JP	EQ	LUX	03/29	USD	0.76	5.5	25.7	-8.9
Latin America Equity AA	GL	EQ	LUX	03/29	USD	1.26	-2.1	84.6	-3.9
Manulife GF Strategic Income Fund AA	OT	OT	NA	03/29	USD	1.04	3.9	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	03/29	USD	1.17	2.2	NS	NS
Russia Equity AA	EE	EQ	LUX	03/29	USD	0.71	10.1	115.6	-15.5
Taiwan Equity AA	AS	EQ	LUX	03/29	USD	1.04	-4.1	60.7	-4.3
Turkey Equity AA	EE	EQ	LUX	03/29	USD	0.82	7.0	155.1	9.1
U.S. Bond AA	US	BD	LUX	03/29	USD	1.14	2.8	19.8	8.4
U.S. Sm Cap Equity AA	US	EQ	LUX	03/29	USD	0.94	14.5	74.7	-1.1
U.S. Special Opportunities	OT	OT	LUX	03/29	USD	0.91	12.7	102.6	13.2
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	03/29	USD	1.14	0.0	4.0	0.8

■ PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	03/17	USD	140.57	10.4	157.3	4.4

Sensible Asset Management
A Value Partners Group company

■ SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	03/26	USD	8.26	3.0	77.6	0.9

SOCIETE GENERALE Asset Management

■ SG ASSET MANAGEMENT (HK) LTD
Hotline in Hong Kong 2166 5099
A company of Amundi Group
www.sgam.com

Bonds Eur Hi Yld A	OT	OT	LUX	03/25	EUR	21.89	6.3	61.8	7.1
Bonds EURO A	OT	OT	LUX	03/25	EUR	41.73	1.7	6.0	5.3
Bonds EUROPE A	OT	OT	LUX	03/26	EUR	39.77	1.7	5.7	4.9
Bonds US OppsCoreplus A	OT	OT	LUX	03/25	USD	37.46	1.5	16.5	8.1
Bonds World A	OT	OT	LUX	03/25	USD	40.96	-2.5	7.5	0.7
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	03/26	USD	10.39	-0.3	63.7	-3.9
Eq. China A	AS	EQ	LUX	03/26	USD	22.78	-5.6	47.2	-1.0
Eq. Concentrated Euroland A	OT	OT	LUX	03/26	EUR	93.52	0.6	30.2	-9.9
Eq. ConcentratedEuropeA	EU	EQ	LUX	03/26	EUR	27.44	1.6	43.8	-9.1
Eq. Emerging Europe A	OT	OT	LUX	03/26	EUR	26.50	12.5	85.7	-12.8
Eq. Euroland A	EU	EQ	LUX	03/26	EUR	10.98	1.4	37.2	-10.4
Eq. Euroland Small Cap A	OT	OT	LUX	03/26	EUR	151.98	7.7	58.3	-2.3
Eq. EurolandCyclclsA	EU	EQ	LUX	03/25	EUR	18.65	4.8	43.9	-5.6
Eq. EurolandFinancialA	OT	EQ	LUX	03/25	EUR	11.10	-1.9	56.4	-15.3
Eq. Glbl Emg Cty A	GL	EQ	LUX	03/26	USD	9.15	-5.5	48.4	-12.1
Eq. Global A	GL	EQ	LUX	03/26	USD	28.57	2.6	46.2	-8.0
Eq. Global Energy A	OT	EQ	LUX	03/26	USD	17.42	-4.0	25.3	-14.8
Eq. Global Resources A	OT	EQ	LUX	03/26	USD	106.95	-2.1	38.8	-12.1
Eq. Gold Mines A	OT	EQ	LUX	03/25	USD	28.79	-5.0	20.1	-4.8
Eq. India A	OT	OT	LUX	03/26	USD	133.43	2.1	84.7	-3.4
Eq. Japan CoreAlpha A	OT	OT	LUX	03/26	JPY	7956.27	9.7	24.0	-2.6
Eq. Latin America A	OT	OT	LUX	03/25	USD	112.44	-3.3	74.2	-8.8
Eq. US Lg Cap Gr A	US	EQ	LUX	03/26	USD	15.79	3.5	41.6	-7.3
Eq. US Rel Val A	US	EQ	LUX	03/26	USD	21.62	5.0	47.7	-9.2
Eq. US Sm Cap Val A	US	EQ	LUX	03/26	USD	17.23	8.0	51.1	-12.1
Money Market EURO A	EU	MM	LUX	03/25	EUR	27.42	0.1	0.6	2.2
Money Market USD A	US	MM	LUX	03/26	USD	15.83	0.0	0.3	1.2

المستثمر الوطني The National Investor

■ THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	03/18	USD	928.37	-3.4	7.4	-30.9
TNI MENA Special Sits Fund	OT	OT	BMU	02/28	USD	1109.04	2.8	16.0	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	03/18	AED	5.28	-1.0	24.3	-33.1

Value Partners
Investing through discipline

■ WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487
**formerly known as China ABH Shares Fund*

Intel-Chin MainInd Foc	AS	EQ	CYM	03/15	USD	29.49	-1.2	94.1	7.9
Intel-China Converg*	AS	EQ	CYM	03/15	USD	112.04	-1.7	93.9	5.5
VP Classic - A	AS	EQ	CYM	03/26	USD	190.57	2.2	78.9	8.6
VP CLassic - B	AS	EQ	CYM	03/26	USD	88.72	2.1	78.0	8.1
VP High Dividend Stk	AS	EQ	CYM	03/22	USD	47.56	4.7	91.6	13.0

yuki
Yuki Management & Research
Tel +81-3-5299-3277 www.yukijapan.co.jp

■ YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

■ YMR-N Series									
YMR-N Growth Fund	OT	OT	IRL	03/29	JPY	9779.00	3.4	23.7	-13.9
YMR-N Small Cap Fund	OT	OT	IRL	03/29	JPY	7099.00	1.2	22.7	-14.5
■ Yuki 77 Series									
Yuki 77 General	JP	EQ	IRL	03/29	JPY	6306.00	2.5	12.2	-17.7
Yuki 77 Growth	JP	EQ	IRL	03/29	JPY	5579.00	-1.1	3.8	-23.0
■ Yuki Chugoku Series									
Yuki Chugoku Jpn Gen	JP	EQ	IRL	03/29	JPY	7156.00	4.8	20.5	-13.3
Yuki Chugoku JpnLowP	JP	EQ	IRL	03/29	JPY	8348.00	10.7	14.9	-11.8
■ Yuki Hokuyo Japan Series									
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	03/29	JPY	4890.00	4.6	17.8	-17.7
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	03/29	JPY	5622.00	7.1	19.5	-12.5
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	03/29	JPY	5135.00	0.6	20.5	-15.0
■ Yuki Mizuho Series									
Yuki Mizuho Gen Jpn III	OT	OT	IRL	03/29	JPY	4525.00	2.4	16.5	-21.5
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	03/29	JPY	4782.00	2.5	16.6	-21.3
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	03/29	JPY	7100.00	1.9	22.9	-16.2
Yuki Mizuho Jpn Gen	OT	OT	IRL	03/29	JPY	9116.00	5.8	21.0	-12.7
Yuki Mizuho Jpn Gro	OT	OT	IRL	03/29	JPY	6454.00	1.5	13.9	-16.5
Yuki Mizuho Jpn Inc	OT	OT	IRL	03/29	JPY	8006.00	4.9	10.0	-15.8
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	03/29	JPY	5430.00	4.6	18.2	-14.5
Yuki Mizuho Jpn LowP	OT	OT	IRL	03/29	JPY	12479.00	7.9	22.3	-9.5
Yuki Mizuho Jpn PGth	OT	OT	IRL	03/29	JPY	8006.00	0.6	13.5	-18.6
Yuki Mizuho Jpn SmCp	OT	OT	IRL	03/29	JPY	7181.00	0.6	28.3	-15.2
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	03/29	JPY	5959.00	5.5	20.3	-11.8
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	03/29	JPY	2758.00	1.2	22.5	-19.8
■ Yuki Shizuoka Japan Series									
Yuki Shizuoka General Japan	JP	EQ	IRL	03/29	JPY	5743.00	5.9	19.5	-14.1

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE Previous session	Year-to-date	52-week
Sweden	-0.14%	8.4%	69.4%
Japan	-0.04	6.6	25.5
Switzerland	-0.23	5.1	54.0
Turkey	-0.33	5.0	119.0
Netherlands	-0.52	4.7	69.3
U.K.	-0.22	4.6	51.6
South Africa	0.22	2.6	30.0
Russia	1.96	2.3	80.0
Germany	0.25	2.3	46.3
Australia	-0.08	2.0	34.4
Canada	0.07	1.3	35.3
Singapore	0.73	0.8	77.9
France	-0.33	0.6	47.4
Italy	-0.22	-0.6%	53.7
South Korea	-0.22	-0.6	44.3
Hong Kong	1.12	-1.7	47.1
Spain	-0.31	-4.9	37.2
Brazil	1.37	-6.3	83.1
China 88	3.00	-7.3	29.1

Dow Jones Regional Sector Titans

Travel Leisure	-0.06%	9.9%	54.8%
Ind Gds Svcs	0.44	9.8	73.6
Arab 50	0.49	8.2	33.2
Pers H'hold Gds	-0.11	7.0	49.5
Retail	0.09	6.0	43.8
Media	0.34	5.4	64.1
Asian 50	0.40	3.9	47.7
Real Estate	0.37	3.4	76.6
Global 50	0.23	-0.4%	40.5
Tiger 50*	0.76	-2.3	62.0

*Asia excluding Japan

Source: Dow Jones Indexes

Dow Jones Asia Titans: Monday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Sumitomo Mitsui Finl	Japan	Banks	$45.2	3,075	3.26%	-12.6%	-70.7%
Seven I Hldgs	Japan	Broadline Retailers	21.8	2,232	2.86	3.6	-37.5
Mitsubishi UFJ Finl	Japan	Banks	74.0	493.00	2.71	1.0	-62.7
Hon Hai Precision Ind	Taiwan	Electrical Components Equipment	36.9	137.50	2.23	110.0	-0.6
China Life Ins	Hong Kong	Life Insurance	35.4	36.90	2.07	47.6	64.7
Mizuho Financial Grp	Japan	Banks	$28.4	187.00	-4.10%	-5.1	-75.0
Takeda Pharm	Japan	Pharmaceuticals	35.3	4,135	-2.82	18.1	-45.9
Nintendo	Japan	Toys	43.3	31,350	-2.49	10.8	-8.3
NTT DoCoMo	Japan	Mobile Telecommunications	62.9	139,500	-2.17	0.4	-35.7
Shin-Etsu Chml	Japan	Specialty Chemicals	24.8	5,400	-1.82	13.5	-23.3

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Nippon Steel Japan (Iron Steel)	24.5	360.00	1.69%	33.8%	-54.5%
PetroChina Hong Kong (Integrated Oil Gas)	24.2	8.89	1.60	42.5	-3.6
CNOOC Hong Kong (Exploration Production)	73.6	12.80	1.59	63.9	87.1
Cheung Kong Hong Kong (Real Estate Holding Development)	30.3	101.40	1.40	51.6	1.0
JFE Hldgs Japan (Iron Steel)	21.1	3,695	1.09	68.3	-44.1
Westfield Grp Australia (Retail REITs)	25.7	12.19	0.99	21.3	-40.7
China Constr Bk Hong Kong (Banks)	178.0	6.15	0.99	44.7	36.7
POSCO South Korea (Iron Steel)	36.1	541,000	0.93	47.0	38.0
Indl Comm Bk China Hong Kong (Banks)	61.5	5.75	0.88	46.3	30.7
Nissan Motor Japan (Automobiles)	34.5	783.00	0.77	116.9	-37.8
QBE Ins Grp Australia (Reinsurance)	20.0	21.35	0.57	10.8	-31.2
China Mobile (HK) Hong Kong (Mobile Telecommunications)	193.0	75.35	0.53	12.9	7.3
National Australia Bk Australia (Banks)	53.7	27.70	0.40	33.2	-30.8
Mitsubishi Japan (Industrial Suppliers)	42.0	2,370	0.38	78.7	-10.7
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	50.6	62.20	0.32	20.2	-7.4
Westpac Bking Australia (Banks)	74.7	28.06	0.29	46.2	8.3
Hutchison Whampoa Hong Kong (Diversified Industrials)	32.0	58.25	0.26	50.5	-22.8
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	39.2	118.70	0.25	70.8	32.0
BHP Billiton Australia (General Mining)	133.1	43.38	0.23	33.3	47.8
Tokio Marine Hldgs Japan (Property Casualty Insurance)	22.2	2,604	0.19	2.3	-40.0

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
RioZim Ltd Australia (General Mining)	43.5	78.39	0.09%	73.6%	28.7%
Panasonic Japan (Consumer Electronics)	31.6	1,415	0.07	25.6	-39.9
Honda Motor Japan (Automobiles)	64.5	3,265	...	42.0	-19.4
Aus NZ Bk Australia (Banks)	58.9	25.43	-0.08	60.4	-13.5
Sony Japan (Consumer Electronics)	38.1	3,540	-0.14	71.8	-39.6
East Japan Railway Japan (Travel Tourism)	26.4	6,190	-0.16	15.9	-30.8
Shinhan Financial Grp South Korea (Banks)	18.3	43,900	-0.23	80.7	-15.3
Samsung Elec South Korea (Semiconductors)	106.2	818,000	-0.24	44.3	44.5
Woodside Petroleum Australia (Exploration Production)	33.2	46.77	-0.32	19.3	20.9
Toyota Motor Japan (Automobiles)	127.2	3,740	-0.53	19.1	-49.7
Commonwlth Bk of Aus Australia (Banks)	80.0	57.04	-0.58	64.4	15.0
KDDI Japan (Mobile Telecommunications)	22.6	473,500	-0.63	-0.3	-48.9
Woolworths Australia (Food Retailers Wholesalers)	31.9	28.38	-0.87	12.3	6.7
Canon Japan (Electronic Office Equipment)	56.3	4,220	-1.06	45.5	-32.3
KB Fncl Group South Korea (Banks)	17.9	52,800	-1.12	60.7	-35.8
Nippon T&T Japan (Fixed Line Telecommunications)	55.2	3,860	-1.15	0.3	-37.3
Mitsui Japan (Industrial Suppliers)	29.9	1,528	-1.36	52.3	-27.4
Japan Tobacco Japan (Tobacco)	35.7	344,000	-1.57	30.9	-40.1
Tokyo Elec Power Japan (Conventional Electricity)	35.3	2,419	-1.75	-4.4	-38.8
Kansai Elec Power Japan (Conventional Electricity)	20.4	2,096	-1.78	-4.3	-36.3

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.10%	1.49%	0.5%	0.4%	5.9%
Event Driven	0.38	2.46	2.5	2.3	15.8
Equity Long/Short	0.18	2.69	2.9	3.2	8.6

*Estimates as of 03/25/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 13/1	0.78	101.07%	0.01%	0.85	0.78	0.80
Eur. High Volatility: 13/1	1.18	99.15	0.01	1.28	1.17	1.20
Europe Crossover: 13/1	4.30	102.95	0.05	4.68	4.28	4.43
Asia ex-Japan IG: 13/1	0.96	100.17	0.01	1.05	0.96	0.99
Japan: 13/1	1.19	99.06	0.01	1.22	1.18	1.19

Note: Data as of March 26

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Furukawa Elec	101	**-15**	-3	-20
Nomura Hldgs	166	**-13**	-19	-48
Sanyo Shinpan Fin	624	**-13**	-31	-104
Nec Electrs	186	**-9**	-7	-32
Cr Saison	244	**-9**	6	-42
Marubeni	149	**-7**	-1	-51
Nippon Paper Inds	104	**-6**	-6	-25
Promise	631	**-5**	-24	-110
Isetan	75	**-3**	-4	-18
Teijin	42	**-3**	-2	-16

And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Sanyo Elec	51	**2**	4	-7
Fuji Heavy Inds	115	**2**	2	-30
GS Caltex Oil	90	**2**	5	-26
Mitsui OSK Lines	63	**2**	2	-34
Itochu	113	**3**	4	-34
Sumitomo Rlty Dev	165	**3**	...	-45
Aeon	130	**4**	6	-52
Sapporo Hldgs	136	**6**	6	-15
IHI	228	**6**	-4	-87
Mitsubishi Matls	104	**8**	8	-23

Source: Markit Group

Behind Europe's deals: Bank revenue rankings, European

Behind every IPO, bond offering, merger deal or syndicated loan is one or more investment banks. Here are investment banks ranked by year-to-date revenues from recent deals.

	Revenue, in millions	Market share	PERCENTAGE OF TOTAL REVENUE Equity capital markets	Debt capital markets	Mergers & acquisitions	Loans
Deutsche Bank	$216	6.3%	14%	60%	17%	8%
Credit Suisse	210	6.1	29	58	13	1
UBS	185	5.4	23	39	38	...
JPMorgan	185	5.4	28	49	22	1
Goldman Sachs	171	5.0	35	24	33	7
Barclays Capital	163	4.7	1	79	9	11
Morgan Stanley	162	4.7	20	18	61	...
BNP Paribas	159	4.6	21	55	11	13
RBS	141	4.1	15	67	7	12

Source: Dealogic

WSJ.com

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GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	**358.25**	2.00	**0.56%**	714.00	325.00
Soybeans (cents/bu.)	CBOT	**969.00**	17.00	**1.79**	1,087.50	819.75
Wheat (cents/bu.)	CBOT	**469.00**	4.25	**0.91**	745.00	464.00
Live cattle (cents/lb.)	CME	**92.550**	0.975	**1.06**	96.300	83.075
Cocoa ($/ton)	ICE-US	**2,930**	76	**2.66**	3,514	2,066
Coffee (cents/lb.)	ICE-US	**138.25**	2.40	**1.77**	190.40	118.30
Sugar (cents/lb.)	ICE-US	**17.47**	0.47	**2.76**	29.00	11.90
Cotton (cents/lb.)	ICE-US	**80.28**	0.59	**0.74**	94.00	51.38
Crude palm oil (ringgit/ton)	MDEX	**2,520.00**	-14	**-0.55%**	2,720	2,409
Cocoa (pounds/ton)	LIFFE	**2,239**	23	**1.04**	2,356	1,475
Robusta coffee ($/ton)	LIFFE	**1,371**	32	**2.39**	1,605	1,212
Copper (cents/lb.)	COMEX	**351.30**	11.00	**3.23**	355.00	140.00
Gold ($/troy oz.)	COMEX	**1116.00**	10.60	**0.96**	1,230.00	532.00
Silver (cents/troy oz.)	COMEX	**1738.00**	47.40	**2.80**	1,949.50	916.00
Aluminum ($/ton)	LME	**2,252.00**	24.00	**1.08**	2,356.50	1,376.00
Tin ($/ton)	LME	**17,900.00**	150.00	**0.85**	18,250.00	10,175.00
Copper ($/ton)	LME	**7,659.50**	129.50	**1.72**	7,695.00	3,925.00
Lead ($/ton)	LME	**2,185.00**	70.00	**3.31**	2,615.00	1,247.00
Zinc ($/ton)	LME	**2,305.00**	40.00	**1.77**	2,659.00	1,292.00
Nickel ($/ton)	LME	**24,020**	420	**1.78**	24,020	9,475
Crude oil ($/bbl.)	NYMEX	**82.73**	2.27	**2.82**	132.95	52.95
Heating oil ($/gal.)	NYMEX	**2.1500**	0.0687	**3.30**	3.4240	1.3933
RBOB gasoline ($/gal.)	NYMEX	**2.2708**	0.0623	**2.82**	3.1200	1.4650
Natural gas ($/mmBtu)	NYMEX	**4.020**	0.090	**2.29**	10.430	3.900
Brent crude ($/bbl.)	ICE-EU	**81.93**	2.20	**2.76**	147.38	50.55
Gas oil ($/ton)	ICE-EU	**676.75**	20.00	**3.05**	696.00	552.00

Source: Thomson Reuters; WSJ Market Data Group

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Currencies

London close on March 29

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2124	0.1918	3.8713	0.2583
Brazil real	2.4361	0.4105	1.8093	0.5527
Canada dollar	1.3737	0.7280	1.0203	0.9802
1-mo. forward	1.3737	0.7279	1.0203	0.9801
3-mos. forward	1.3738	0.7279	1.0203	0.9801
6-mos. forward	1.3749	0.7273	1.0211	0.9793
Chile peso	715.44	0.001398	531.35	0.001882
Colombia peso	2603.90	0.0003840	1933.90	0.0005171
Ecuador US dollar-f	1.3465	0.7427	1	1
Mexico peso-a	16.7798	0.0596	12.4623	0.0802
Peru sol	3.8246	0.2615	2.8405	0.3521
Uruguay peso-e	26.323	0.0380	19.550	0.0512
U.S. dollar	1.3465	0.7427	1	1
Venezuela bolivar	5.78	0.172935	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.4714	0.6796	1.0928	0.9151
China yuan	9.1915	0.1088	6.8265	0.1465
Hong Kong dollar	10.4538	0.0957	7.7640	0.1288
India rupee	60.4758	0.0165	44.9150	0.0223
Indonesia rupiah	12239	0.0000817	9090	0.0001100
Japan yen	124.74	0.008017	92.64	0.010794
1-mo. forward	124.71	0.008018	92.63	0.010796
3-mos. forward	124.67	0.008021	92.59	0.010800
6-mos. forward	124.56	0.008028	92.51	0.010809
Malaysia ringgit-c	4.3995	0.2273	3.2675	0.3060
New Zealand dollar	1.9000	0.5263	1.4111	0.7087
Pakistan rupee	112.967	0.0089	83.900	0.0119
Philippines peso	60.893	0.0164	45.225	0.0221
Singapore dollar	1.8835	0.5309	1.3989	0.7148
South Korea won	1528.89	0.0006541	1135.50	0.0008807
Taiwan dollar	42.858	0.02333	31.830	0.03142
Thailand baht	43.564	0.02295	32.355	0.03091

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7427	1.3465
1-mo. forward	1.0000	1.0000	0.7427	1.3465
3-mos. forward	1.0000	1.0000	0.7427	1.3465
6-mos. forward	1.0000	1.0000	0.7427	1.3464
Czech Rep. koruna-b	25.416	0.0393	18.876	0.0530
Denmark krone	7.4423	0.1344	5.5274	0.1809
Hungary forint	265.18	0.003771	196.95	0.005077
Norway krone	8.0529	0.1242	5.9809	0.1672
Poland zloty	3.8834	0.2575	2.8842	0.3467
Russia ruble-d	39.726	0.02517	29.505	0.03389
Sweden krona	9.7643	0.1024	7.2519	0.1379
Switzerland franc	1.4321	0.6983	1.0636	0.9402
1-mo. forward	1.4317	0.6985	1.0633	0.9404
3-mos. forward	1.4310	0.6988	1.0628	0.9409
6-mos. forward	1.4297	0.6994	1.0618	0.9418
Turkey lira	2.0604	0.4853	1.5303	0.6535
U.K. pound	0.8996	1.1117	0.6681	1.4968
1-mo. forward	0.8997	1.1115	0.6682	1.4965
3-mos. forward	0.9000	1.1111	0.6685	1.4960
6-mos. forward	0.9005	1.1105	0.6688	1.4953
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5076	1.9699	0.3770	2.6523
Egypt pound-a	7.4095	0.1350	5.5030	0.1817
Israel shekel	4.9916	0.2003	3.7073	0.2697
Jordan dinar	0.9536	1.0486	0.7083	1.4119
Kuwait dinar	0.3889	2.5712	0.2889	3.4620
Lebanon pound	2020.35	0.0004950	1500.50	0.0006665
Saudi Arabia riyal	5.0494	0.1980	3.7502	0.2667
South Africa rand	9.9811	0.1002	7.4129	0.1349
United Arab dirham	4.9456	0.2022	3.6731	0.2723
SDR -f	0.8865	1.1280	0.6584	1.5188

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
28	**ASIA-PACIFIC**	DJ Asia-Pacific	127.94	0.60	**0.47%**	4.0%	50.3%
...	Australia	SPX/ASX 200	4897.27	0.38	**0.01**	0.5	35.9
...	China	CBN 600	27919.41	603.10	**2.21**	-3.9	37.1
16	Hong Kong	Hang Seng	21237.43	184.32	**0.88**	-2.9	57.8
20	India	Sensex	17711.35	66.59	**0.38**	1.4	85.1
17	Indonesia	Jakarta Composite	2794.771	-18.311	**-0.65%**	10.3	96.9
...	Japan	Nikkei Stock Average	10986.47	-9.90	**-0.09**	4.2	33.4
...		Topix	966.13	-0.59	**-0.06**	6.5	22.4
...	Malaysia	Kuala Lumpur Composite	1319.21	4.07	**0.31**	3.6	51.7
14	New Zealand	NZSX-50	3251.100	10.623	**0.33**	0.6	23.1
8	Pakistan	KSE 100	10056.46	-81.47	**-0.80**	7.1	43.4
14	Philippines	Manila Composite	3177.56	-3.12	**-0.10**	4.1	57.1
...	Singapore	Straits Times	2929.14	22.86	**0.79**	1.1	75.1
11	South Korea	Kospi	1691.99	-5.73	**-0.34**	0.5	41.3
20	Taiwan	Weighted	7947.45	70.59	**0.90**	-2.9	52.7
10	Thailand	SET	771.40	-7.46	**-0.96**	5.0	79.6
23	**EUROPE**	Stoxx Europe 600	263.89	0.31	**0.12**	4.2	54.4
14		Stoxx Europe 50	2630.97	5.81	**0.22**	2.0	45.1
27	**Euro Zone**	Euro Stoxx	278.79	0.56	**0.20%**	1.5%	49.7%
14		Euro Stoxx 50	2947.49	6.55	**0.22**	-0.6	46.5
21	Denmark	OMX Copenhagen	358.16	-1.56	**-0.43%**	13.4	71.2
22	Finland	OMX Helsinki	7320.98	-39.48	**-0.54**	13.4	62.6
16	France	CAC-40	4000.66	11.73	**0.29**	1.6	47.1
15	Germany	DAX	6156.85	36.80	**0.60**	3.3	54.3
13	Italy	FTSE MIB	23104.97	41.10	**0.18**	-0.6	51.3
...	Netherlands	AEX	343.96	0.15	**0.04**	2.6	62.9
...	Russia	RTSI	1551.57	31.70	**2.09**	8.7	127.2
10	Spain	IBEX 35	11091.0	19.9	**0.18**	-7.1	45.9
16	Switzerland	SMI	6850.58	11.63	**0.17**	4.7	44.4
...	Turkey	ISE National 100	56668.20	57.54	**0.10**	7.3	125.4
14	U.K.	FTSE 100	5710.66	7.64	**0.13**	5.5	51.8
18	**AMERICAS**	DJ Americas	311.02	1.38	**0.45**	4.9	55.8
...	Brazil	Bovespa	69671.77	989.11	**1.44**	1.6	71.7
...	Argentina	Merval	2421.97	19.52	**0.81**	4.4	117.4
19	Mexico	IPC	33305.98	158.17	**0.48**	3.7	70.1

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
2.19%	19	**Global TSM**	2385.96	9.44	**0.40%**	2.9%	56.7%	-6.3%
1.92	19	**Global DOW**	2016.37	6.09	**0.30**	1.6	52.4	-3.1
2.43	15	**Global Titans 50**	172.96	0.40	**0.23**	-0.4	40.5	-8.7
2.18	25	**Asia/Pacific TSM**	1264.75	5.96	**0.47**	4.0	54.8	-4.3
2.42	15	**Asia/Pacific ex-Japan TSM**	3135.29	26.57	**0.85**	1.9	80.8	1.7
2.78	14	**Europe TSM**	2609.63	4.52	**0.17**	-2.5	58.9	-10.9
1.86	14	**Emerging Markets TSM**	4156.30	39.91	**0.97**	2.5	89.0	2.3
2.45	33	**Asian Titans 50**	139.45	0.56	**0.40**	3.9	47.7	-5.9
6.37	6	**BRIC 50**	587.23	4.29	**0.74**	-1.8	80.3	6.3
0.86	27	**CBN China 600** -c	27919.41	603.10	**2.21**	-3.9	37.1	8.1
2.35	18	**China Offshore 50**	3960.55	49.04	**1.25**	-2.9	48.9	6.9
0.89	30	**Shanghai** -c	377.72	7.88	**2.13**	-2.6	38.1	8.2

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
0.56%	46	**Shenzhen** -c	411.56	6.17	**1.52%**	-1.2%	52.9%	13.8%
1.84	22	**U.S. TSM**	12048.04	44.10	**0.37**	5.8	51.8	-5.7
4.83	14	**Global Select Div** -d	199.50	1.21	**0.61**	-1.2	81.3	-10.1
5.34	14	**Asia/Pacific Select Div** -d	275.21	2.25	**0.82**	2.5	91.6	-9.9
3.70	14	**Hong Kong Select Div** -d	195.63	0.42	**0.22**	4.4	61.8	1.6
4.23	15	**U.S. Select Dividend** -d	330.82	0.79	**0.24**	4.8	48.7	-13.1
1.80	15	**Islamic Market**	2014.99	8.74	**0.44**	2.0	49.0	-1.8
2.00	15	**Islamic Market 100**	2130.65	4.86	**0.23**	0.4	37.3	-2.4
2.60	17	**Islamic China/HK Titans 30**	1505.08	17.57	**1.18**	1.3	50.8	2.5
1.55	12	**Sustainability Korea**	1227.83	-1.79	**-0.15**	1.9	77.2	1.0
3.40	17	**Brookfield Infrastructure**	2032.08	9.25	**0.46**	0.3	47.6	-4.7
		DJ-UBS Commodity -p	129.70	-0.10	**-0.08**	-6.8	17.7	-8.5

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.093	0.668	1.020	6.826	0.743	7.764	44.915	9090.08	92.640	1.411	1135.50	3.267	45.225	1.399	1.064	31.830	32.355
Australia	0.915		0.611	0.934	6.247	0.680	7.104	41.099	8317.88	84.770	1.291	1039.04	2.990	41.383	1.280	0.973	29.126	29.606
Britain	1.497	1.636		1.527	10.218	1.112	11.621	67.229	13606.04	138.664	2.112	1699.62	4.891	67.693	2.094	1.592	47.643	48.429
Canada	0.980	1.071	0.655		6.691	0.728	7.610	44.024	8909.66	90.801	1.383	1112.96	3.203	44.327	1.371	1.042	31.198	31.713
China	0.1465	0.160	0.098	0.149		0.109	1.137	6.580	1331.60	13.571	0.207	166.34	0.479	6.625	0.205	0.156	4.663	4.740
Euro	1.346	1.471	0.900	1.374	9.191		10.454	60.476	12239.34	124.735	1.900	1528.89	4.400	60.893	1.884	1.432	42.858	43.564
Hong Kong	0.129	0.141	0.086	0.131	0.879	0.096		5.785	1170.80	11.932	0.182	146.25	0.421	5.825	0.180	0.137	4.100	4.167
India	0.0223	0.0243	0.0149	0.0227	0.1520	0.0165	0.1729		202.38	2.0626	0.0314	25.28	0.0727	1.0069	0.0311	0.0237	0.7087	0.7204
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0008	0.0001	0.0009	0.0049		0.0102	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0035	0.0036
Japan	0.011	0.012	0.007	0.011	0.074	0.008	0.084	0.485	98.12		0.015	12.26	0.035	0.488	0.015	0.011	0.344	0.349
New Zealand	0.709	0.774	0.473	0.723	4.838	0.526	5.502	31.829	6441.69	65.649		804.67	2.316	32.049	0.991	0.754	22.556	22.928
South Korea	0.0009	0.0010	0.0006	0.0009	0.0060	0.0007	0.0068	0.0396	8.01	0.0816	0.0012		0.0029	0.0398	0.0012	0.0009	0.0280	0.0285
Malaysia	0.306	0.334	0.204	0.312	2.089	0.227	2.376	13.746	2781.97	28.352	0.432	347.51		13.841	0.428	0.326	9.741	9.902
Philippines	0.022	0.024	0.015	0.023	0.151	0.016	0.172	0.993	201.00	2.048	0.031	25.11	0.072		0.031	0.024	0.704	0.715
Singapore	0.715	0.781	0.478	0.729	4.880	0.531	5.550	32.107	6498.02	66.223	1.009	811.71	2.336	32.329		0.760	22.754	23.129
Switzerland	0.940	1.027	0.628	0.959	6.418	0.698	7.300	42.229	8546.52	87.100	1.327	1067.60	3.072	42.521	1.315		29.927	30.420
Taiwan	0.031	0.034	0.021	0.032	0.214	0.023	0.244	1.411	285.58	2.910	0.044	35.67	0.103	1.421	0.044	0.033		1.016
Thailand	0.031	0.034	0.021	0.032	0.211	0.023	0.240	1.388	280.95	2.863	0.044	35.10	0.101	1.398	0.043	0.033	0.984	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of March. 29, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	23	**ALL COUNTRY (AC) WORLD***	305.14	-0.16%	**1.9%**	63.0%
2.50	24	**World (Developed Markets)**	1,193.41	-0.14	**2.1**	58.9
1.80	83	**World Small Cap**	202.84	-0.19	**6.7**	83.0
2.50	21	**Kokusai (World ex-Japan)**	1,178.31	0.03	**1.6**	61.8
3.00	23	**EAFE**	1,572.26	-0.33	**-0.5**	57.6
2.20	20	**Emerging Markets (EM)**	993.08	-0.32	**0.4**	98.9
2.50	23	**AC ASIA PACIFIC EX-JAPAN**	419.85	-0.47	**0.8**	96.0
2.20	22	**AC Far East ex-Japan**	449.22	-0.85	**-0.2**	86.8
1.70	145	**Japan**	605.00	1.53	**6.4**	29.6
2.00	19	**China**	62.78	1.07	**-3.1**	73.3
0.90	37	**China A (China Domestic)**	3,142.47	1.41	**-7.1**	54.1
2.60	23	**Hong Kong**	10,464.54	1.57	**2.8**	66.9
0.90	20	**India**	720.20	0.49	**1.9**	111.9
1.30	16	**Korea**	481.59	0.53	**0.2**	65.2
2.30	20	**Malaysia**	481.62	0.33	**2.5**	45.4
3.10	17	**Singapore**	1,607.88	0.66	**-1.0**	79.4
2.70	234	**Taiwan**	281.38	0.57	**-4.9**	63.0
3.30	18	**Thailand**	324.97	-0.87	**7.7**	84.7
3.60	25	**Australia**	1,015.21	0.31	**1.4**	47.1
5.00	16	**New Zealand**	84.27	0.04	**-3.4**	15.4
1.90	28	**US BROAD MARKET**	1,302.44	-0.06	**5.3**	62.2
3.40	16	**EUROPE**	91.43	-0.47	**3.6**	51.3

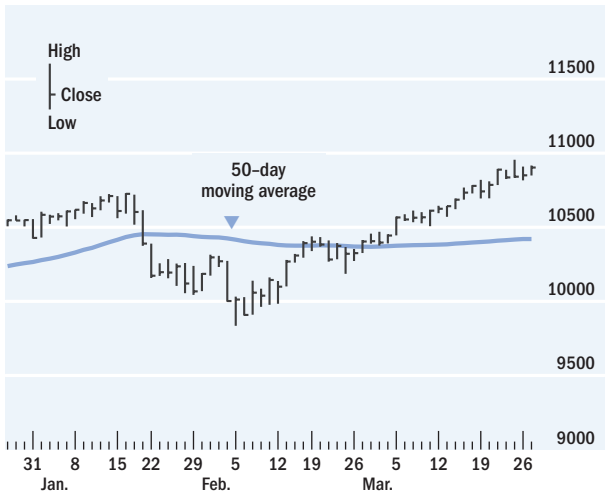
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 17

LAST: **10902.96** ▲ 52.60, or 0.48%
YEAR TO DATE: ▲ **474.91, or 4.6%**
OVER 52 WEEKS ▲ **3,380.94, or 44.9%**

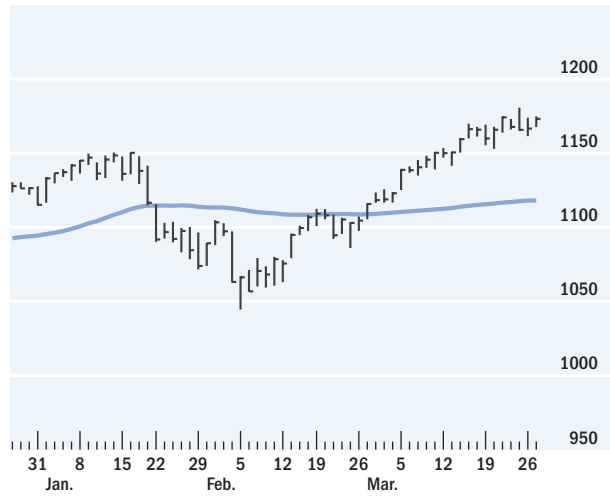


Nasdaq Composite Index P/E: 17*

LAST: **2408.51** ▲ 13.38, or 0.56%
YEAR TO DATE: ▲ **139.36, or 6.1%**
OVER 52 WEEKS ▲ **906.71, or 60.4%**

S&P 500 Index P/E: 23

LAST: **1173.15** ▲ 6.56, or 0.56%
YEAR TO DATE: ▲ **58.05, or 5.2%**
OVER 52 WEEKS ▲ **385.62, or 49.0%**



*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**9.90**	$26.48	0.24	**0.90%**
Alcoa	AA	**13.30**	14.41	0.13	**0.95**
AmExpress	AXP	**2.40**	41.24	0.12	**0.29**
BankAm	BAC	**96.40**	17.84	-0.06	**-0.34**
Boeing	BA	**3.70**	74.01	1.42	**1.96**
Caterpillar	CAT	**3.80**	63.35	0.91	**1.46**
Chevron	CVX	**4.20**	75.14	0.71	**0.95**
CiscoSys	CSCO	**16.60**	26.51	0.04	**0.15**
CocaCola	KO	**3.80**	54.78	0.13	**0.24**
Disney	DIS	**7.30**	35.04	-0.27	**-0.76**
DuPont	DD	**3.70**	37.62	-0.07	**-0.19**
ExxonMobil	XOM	**10.80**	67.32	0.78	**1.17**
GenElec	GE	**41.90**	18.30	-0.04	**-0.22**
HewlettPk	HPQ	**5.40**	53.07	-0.35	**-0.66**
HomeDpt	HD	**4.80**	32.55	-0.20	**-0.61**
Intel	INTC	**19.10**	22.31	0.07	**0.32**
IBM	IBM	**2.40**	128.80	-0.46	**-0.36**
JPMorgChas	JPM	**17.60**	44.62	-0.40	**-0.89**
JohnsJohns	JNJ	**3.60**	64.85	0.47	**0.72**
KftFoods	KFT	**5.40**	30.50	0.16	**0.53**
McDonalds	MCD	**3.00**	66.81	-0.45	**-0.68**
Merck	MRK	**5.40**	37.97	0.54	**1.44**
Microsoft	MSFT	**17.00**	29.67	0.01	**0.03**
Pfizer	PFE	**27.60**	17.27	0.13	**0.76**
ProctGamb	PG	**3.50**	63.82	0.13	**0.20**
3M	MMM	**1.40**	81.21	0.21	**0.26**
TravelersCos	TRV	**1.10**	54.49	0.14	**0.26**
UnitedTech	UTX	**1.60**	74.15	0.53	**0.72**
Verizon	VZ	**7.30**	30.39	0.02	**0.06**
WalMart	WMT	**4.60**	55.55	0.04	**0.07**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**664.3**	$4.17	–$0.14	**–3.25%**
BankAm	BAC	**97.9**	17.83	–0.07	**–0.39**
FordMotor	F	**88.8**	13.53	–0.33	**–2.40**
SiriusXM	SIRI	**75.1**	0.85	–0.01	**–0.93**
SPDR S&P 500	SPY	**71.1**	117.17	0.59	**0.50**
BellMcrProd	BELM	**42.1**	6.90	1.52	**28.25**
GenElec	GE	**42.1**	18.30	–0.04	**–0.22**
DrxFinancBear 3x	FAZ	**36.6**	13.50	0.15	**1.12**
SPDR FnclSelSct	XLF	**35.9**	15.95	–0.05	**–0.31**
PwrShrs QQQ	QQQQ	**33.6**	48.21	0.21	**0.44**
Flagstar	FBC	**28.1**	0.61	0.04	**6.21**
Pfizer	PFE	**27.7**	17.27	0.14	**0.79**
EMC Cp	EMC	**27.0**	17.96	–0.60	**–3.23**
iShrMSCIEmrgMkt	EEM	**26.0**	41.66	0.56	**1.36**
LasVegasSands	LVS	**20.6**	21.75	–0.14	**–0.64**

Biggest gainers...

Servidyne	SERV	**1,321.0**	$4.86	$2.64	**119.12%**
BellMcrProd	BELM	**42,119.4**	6.90	1.52	**28.25**
ChinaYuchai	CYD	**989.8**	17.75	2.72	**18.10**
BwayHldg	BWY	**1,962.1**	20.20	2.85	**16.43**
KidBrand	KID	**255.4**	7.55	0.95	**14.42**

...Biggest losers

ARCA biophrm	ABIO	**12,345.4**	$6.18	-$2.04	**-24.82%**
OrckitComm	ORCT	**1,761.0**	4.00	-0.81	**-16.84**
AldIrhBk ADS	AIB	**12,432.2**	3.76	-0.69	**-15.51**
CmwlthBksh	CWBS	**34.6**	3.90	-0.67	**-14.66**
Spire	SPIR	**208.7**	3.66	-0.54	**-12.86**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$8.31	**Taiwan Semi**	TSM	**6,652.3**	$10.49	0.13	**1.28%**
4.24	2.28	**Utd Microelectronics**	UMC	**3,374.8**	3.69	0.11	**3.07**
82.74	42.33	**BHP Billiton**	BHP	**2,627.2**	80.25	1.66	**2.11**
15.95	9.58	**China Unicom**	CHU	**1,345.9**	11.40	0.27	**2.43**
62.37	25.25	**Infosys Tech**	INFY	**803.9**	60.12	-0.80	**-1.31**
18.64	14.82	**SK Telecom**	SKM	**762.9**	17.58	0.18	**1.03**
13.30	7.91	**AU Optrncs**	AUO	**693.3**	11.40	0.09	**0.80**
6.84	4.79	**Mitsu UFJ Fnl**	MTU	**664.7**	5.33	0.17	**3.29**
8.19	5.63	**Siliconware Prec Ind**	SPIL	**656.2**	6.09	0.09	**1.59**
9.82	6.24	**Telecom Corp of NZ**	NZT	**625.2**	7.78	0.31	**4.15**
9.50	5.01	**Nomura Hldgs**	NMR	**533.4**	7.58	0.24	**3.27**
59.22	42.00	**China Mobile**	CHL	**463.4**	48.50	0.46	**0.96**
20.49	16.87	**ChunghwaTel**	CHT	**437.8**	19.27	0.25	**1.31**
18.20	8.88	**Korea Elec Pwr**	KEP	**385.6**	16.35	0.33	**2.06**
91.97	63.00	**Toyota Motor**	TM	**368.3**	80.89	0.14	**0.17**
25.65	6.85	**Yanzhou Coal Mining**	YZC	**297.1**	23.72	0.85	**3.72**
34.27	14.19	**Aluminum Cp of China**	ACH	**273.4**	25.35	0.15	**0.60**
150.50	64.01	**POSCO**	PKX	**271.6**	119.63	2.89	**2.48**
40.45	20.49	**Sony**	SNE	**241.9**	38.20	-0.02	**-0.05**
81.00	47.60	**China Life Ins**	LFC	**237.5**	71.29	1.05	**1.49**
16.40	2.14	**City Telecom**	CTEL	**211.6**	16.04	0.38	**2.39**
16.49	13.11	**NTT DoCoMo**	DCM	**194.8**	15.22	-0.03	**-0.20**
5.23	2.36	**Adv Semi Engrg**	ASX	**191.2**	4.41	0.00	**0**
135.92	78.11	**PetroChina**	PTR	**180.9**	114.75	2.29	**2.04**
6.19	1.78	**SemiMfgInt**	SMI	**154.4**	6.06	0.13	**2.23**
17.19	10.77	**Matsushita Elec**	PC	**147.0**	15.40	0.19	**1.25**
171.59	97.77	**CNOOC**	CEO	**121.3**	165.95	3.02	**1.85**
37.23	23.16	**Honda Motor**	HMC	**114.0**	35.26	0.02	**0.06**
21.78	12.96	**KT Corp**	KT	**107.4**	20.90	-0.04	**-0.19**
34.43	21.60	**Huaneng Power Intl**	HNP	**100.0**	23.55	0.22	**0.94**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

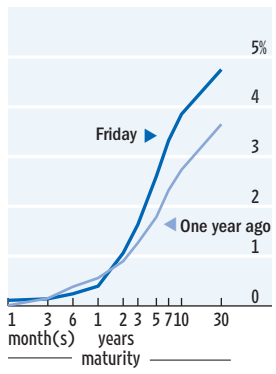
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 12 p.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**5.005%**	**395.7**	387.8	374.1	**234.3**	**4.930%**	4.560%	**3.253%**
4.500	10	**5.795**	**192.1**	187.9	188.3	**200.6**	**5.730**	5.497	**4.770**
5.000	**Austria** 2	**1.206**	**15.8**	15.6	51.1	**23.1**	**1.208**	1.330	**1.141**
3.900	10	**3.510**	**-36.4**	-31.9	-3.6	**127.6**	**3.532**	3.578	**4.040**
2.000	**Belgium** 2	**1.035**	**-1.3**	9.6	31.0	**97.7**	**1.148**	1.129	**1.887**
3.750	10	**3.598**	**-27.6**	-22.9	5.5	**121.0**	**3.622**	3.669	**3.974**
1.500	**Canada** 2	**1.704**	**65.6**	63.6	31.5	**26.4**	**1.688**	1.134	**1.174**
3.750	10	**3.580**	**-29.4**	-29.4	-22.0	**16.7**	**3.557**	3.394	**2.931**
4.000	**Denmark** 2	**1.577**	**52.9**	55.2	86.0	**95.9**	**1.604**	1.679	**1.869**
4.000	10	**3.423**	**-45.1**	-40.7	-19.5	**71.4**	**3.444**	3.419	**3.478**
3.750	**France** 2	**0.919**	**-12.9**	-13.1	13.6	**48.1**	**0.921**	0.955	**1.391**
3.500	10	**3.459**	**-41.5**	-37.1	-19.2	**87.7**	**3.480**	3.422	**3.641**
1.250	**Germany** 2	**0.900**	**-14.8**	-15.3	4.0	**41.9**	**0.899**	0.859	**1.329**
3.250	10	**3.134**	**-74.0**	-69.3	-50.5	**33.7**	**3.158**	3.109	**3.101**
0.640	**Hong Kong** 2	**0.879**	**-16.9**	-29.1	-15.6	**-7.1**	**0.761**	0.663	**0.839**
2.160	10	**2.949**	**-92.5**	-104.3	-81.3	**-72.6**	**2.808**	2.801	**2.038**
5.000	**Italy** 2	**1.346**	**29.8**	27.5	61.4	**107.2**	**1.327**	1.433	**1.982**
4.250	10	**3.922**	**4.8**	6.8	37.1	**161.5**	**3.919**	3.985	**4.379**
0.200	**Japan** 2	**0.175**	**-87.3**	-88.4	-66.4	**-49.5**	**0.168**	0.155	**0.415**
1.400	10	**1.406**	**-246.8**	-246.6	-230.5	**-143.8**	**1.385**	1.309	**1.326**
2.500	**Netherlands** 2	**0.900**	**-14.8**	-11.6	9.9	**60.2**	**0.936**	0.918	**1.512**
3.500	10	**3.375**	**-49.9**	-45.0	-21.3	**101.1**	**3.401**	3.401	**3.775**
5.000	**Portugal** 2	**1.730**	**68.2**	65.5	130.0	**122.6**	**1.707**	2.119	**2.136**
4.800	10	**4.296**	**42.2**	48.1	90.3	**178.3**	**4.332**	4.517	**4.547**
5.350	**Spain** 2	**1.156**	**10.8**	7.8	46.5	**93.8**	**1.130**	1.284	**1.848**
4.000	10	**3.847**	**-2.7**	-1.7	27.9	**129.8**	**3.834**	3.893	**4.062**
2.750	**Switzerland** 2	**0.474**	**-57.4**	-57.9	-38.2	**-41.4**	**0.473**	0.437	**0.496**
2.250	10	**1.930**	**-194.4**	-192.2	-170.6	**-57.2**	**1.929**	1.908	**2.192**
3.250	**U.K.** 2	**1.000**	**-4.8**	-4.4	12.3	**36.7**	**1.008**	0.942	**1.277**
3.750	10	**3.979**	**10.5**	18.4	41.9	**51.6**	**4.035**	4.033	**3.280**
1.000	**U.S.** 2	**1.048**	**...**	...	...	**...**	**1.052**	0.819	**0.910**
3.625	10	**3.874**	**...**	...	...	**...**	**3.851**	3.614	**2.764**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.749%**	15.89	–3.10%	–0.79%	–0.79%	–12.94%
10-year Treasury	**3.852**	8.19	–1.84	0.77	0.77	–5.50
7 Year Treasury	**3.323**	6.21	–1.39	1.56	1.56	–1.24
Five-year Treasury	**2.607**	4.67	–1.14	1.22	1.22	0.25
Ryan Index	**2.872**	6.64	–1.42	0.72	0.72	–2.57
3 Year Treasury	**1.635**	2.90	–0.66	0.90	0.90	2.19
Two-year Treasury	**1.063**	1.98	–0.41	0.58	0.58	1.70
1 Year Treasury	**0.397**	0.95	–0.04	0.21	0.21	1.12
Six-month Treasury	**0.244**	0.50	...	0.05	0.05	0.49
Ryan Cash Index-a	**0.223**	0.44	–0.01	0.07	0.07	0.50
Three-month bill	**0.142**	0.25	0.01	0.03	0.03	0.28
One-month bill	**0.112**	0.07	0.01	0.01	0.01	0.10

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	2.50
Japan	**1.475**	1.475
Britain	**0.50**	0.50
ECB	**1.00**	1.50
Switzerland	**0.52**	0.52
Australia	**4.00**	3.25
Hong Kong	**5.25**	5.00
Libor		
One month	**0.24788%**	0.50875%
Three month	**0.29013**	1.20750
Six month	**0.44250**	1.74500
One year	**0.91469**	1.98375

	Latest	52 wks ago
Euro Libor		
One month	**0.36625%**	1.12688%
Three month	**0.58063**	1.51500
Six month	**0.89000**	1.68625
One year	**1.18875**	1.83438
Hibor		
One month	**0.09643**	0.30857%
Three month	**0.14714**	0.89214
Six month	**0.24786**	1.19071
One year	**0.58536**	1.53143
Asian dollars		
One month	**0.2536%**	0.51%
Three month	**0.2896**	1.2140
Six month	**0.4296**	1.7440
One year	**0.9000**	1.9880

	Offer	Bid
Eurodollars		
One month	**0.3100%**	0.2100%
Three month	**0.3700**	0.2300
Six month	**0.5500**	0.3500
One year	**0.9500**	0.6500

	Latest	52 wks ago
U.S. discount	**0.75%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.22%**	...
U.K. (BBA)	**0.508**	0.622
Euro zone	**0.29**	1.21

Sources: WSJ Market Data Group; Reuters

China central bank taps three scholars

Policy committee gets more outside advisers

By Andrew Batson

BEIJING—China's central bank named three prominent scholars to its monetary-policy committee, expanding the range of its outside advisors at a time when it faces a series of tough decisions on the currency, interest rates and other economic policies.

The new advisers are all leading lights of the Beijing economics community. Zhou Qiren, who has a doctorate from the University of California, Los Angeles, now runs the National School of Development at Peking University.

Xia Bin, a prominent local scholar on the financial system, heads the finance institute of the Development Research Center of the State Council, a top government think tank. Li Daokui, who also uses the English name David and has a doctorate from Harvard University, is director of the Center for China in the World Economy at Tsinghua University.

One scholar who has been on the committee stepped down Monday, so the appointments announced the same day by the People's Bank of China increase by two the number of outside academics who sit on the committee, which is mainly composed of central bank and other financial officials.

China's central bank isn't independent and can only change interest rates or make other major changes with the approval of the top leadership, so the monetary-policy committee mainly serves an advisory function.

The man who stepped down is Fan Gang, the director of the National Economic Research Institute in Beijing. Mr. Fan, a fluent English speaker, had been an articulate defender of China's economic policies to the outside world.

In an article earlier this month, he took on what he called "China-bashers" in the U.S. who had been pushing China to revalue its currency. "Will China's revaluation, as requested, solve American's problems?" he asked, and concluded there was limited evidence that a move would reduce the U.S. trade deficit.

In comments on the currency earlier this month, Mr. Li of Tsinghua University said he didn't expect the government to make a large adjustment in the yuan's exchange rate, and that the currency is unlikely to rise by more than 5% a year. His own research has included work on the distribution of income, property rights and taxation.

The central bank declined to comment beyond the statement announcing the new appointments. Mr. Zhou couldn't be reached to comment, and Mr. Li, Mr. Xia and the outgoing adviser, Mr. Fan, didn't respond to requests for comment Monday.

Goldman's China club

Continued from page 17

China Ltd. in April 2006, ahead of ICBC's initial public offering. As part of the deal, Goldman and funds it manages took a 4.95% stake in ICBC for $2.9 billion.

That investment was the Wall Street firm's biggest single investment ever and has proven profitable for Goldman and its private-equity funds. At the end of 2009, according to Goldman's 2009 financial results, the total stake held by Goldman and funds it manages was worth $8.11 billion, even after Goldman sold off 20% of its holding.

Mr. Hu led Goldman's negotiations to get that deal, proving flexible on increasing what Goldman was willing to offer for its stake after previous deals for Western banks to invest in Chinese lenders came under criticism for being too cheaply priced. At the closed-door signing ceremony for the deal in Beijing, Henry Paulson. Goldman's chief executive officer at the time, singled out Mr. Hu's contribution, praising him for putting the deal together.

Losing a banker of Mr. Hu's stature is a blow for Goldman on one level. The departures are thinning Goldman's ranks of senior bankers with star power in a crucial growth market for investment banking.

Still, Goldman has a knack for keeping close ties to exiting partners, giving them advisory roles, helping them raise funds and sometimes contributing its own capital to their funds. They also help Goldman generate fees as they seek the firm's advice on deals, although they are potential competitors for Goldman's business.

In Mr. Hu's case, he is staying on as an advisory director after he leaves the firm, according to a memo sent to employees. Other former Goldman employees remain heavily intertwined with the firm as well.

These former top bankers are eyeing the opportunity to deploy cash into China deals at a time when institutional investors are pouring money into China funds.

"As the crisis mindset has faded, we've seen renewed demand for putting money into China funds," says Ludvig Nilsson, managing partner of Jade Invest, a fund-of-funds manager specializing in China private-equity investments. "Investors now have many more options for local private-equity funds."

In one sense, China is a more attractive market when credit is scarce because most China private-equity deals rely on growth rather than leverage to provide investors with outsized returns. With credit less available to private-equity firms in the U.S. and Europe, deals in those markets are harder to justify without cheap loans to finance buyouts.

On the other hand, ample bank liquidity in China means potential targets don't need private-equity funding as much they might in tougher times. That could change as China starts to tighten credit more in an effort to cool off its fast-rising asset prices.

Pacific Century purchases part of an AIG unit

By Tess Stynes

American International Group Inc. said it has sold part of its asset-management business to private-investment firm **Pacific Century Group**.

AIG received $277 million from the Asia-based private-investment firm for **PineBridge Investments** and expects to receive a performance note and a continuing share of carried interest. The deal for as much as $500 million was supposed to close by the end of 2009 but has encountered multiple delays.

Pacific Century Group is run by Richard Li, the prominent Hong Kong businessman and son of Li Kashing, one of Asia's wealthiest people.

AIG will continue to manage about $509 billion of assets as part of its internal investment operation. PineBridge manages $87.3 billion of assets for institutional and individual investors.

AIG, which is about 80% owned by the U.S. government, has been selling off assets to repay tens of billions of dollars in government rescue funds.

The company recently struck a $15.5 billion deal to sell its second-largest foreign life-insurance business to **MetLife** Inc. and to sell its Asian life-insurer unit, **American International Assurance** Ltd., to **Prudential** PLC in a $35.5 billion deal.

U.S. court skeptical on lawsuit vs. NAB

By Brent Kendall

WASHINGTON—The U.S. Supreme Court suggested Monday it wouldn't allow foreign investors to proceed with a U.S. lawsuit alleging that **National Australia Bank** Ltd. and a Florida-based subsidiary engaged in transnational securities fraud.

During an hour-long oral argument, several justices suggested that U.S. courts weren't the proper jurisdiction for a securities lawsuit that was brought by Australian shareholders who purchased shares of the Australian bank on an Australian exchange.

Justice Ruth Bader Ginsburg said the case "has Australia written all over it."

"Isn't the most appropriate choice the law of Australia rather than the law of the United States?" Justice Ginsburg asked.

At issue are allegations that NAB's former U.S. mortgage unit, Florida-based HomeSide Lending Inc., deliberately manipulated the value of its mortgage portfolio in order to meet over-inflated earnings targets.

NAB said HomeSide, once the U.S.'s sixth-biggest mortgage servicing company, had used an incorrect mathematical model that caused it to overvalue its mortgage-servicing rights.

The bank announced in July 2001 that it would incur a $450 million write-down on the value of the HomeSide rights. It also said in September 2001 that it would incur a second write-down of $1.75 billion.

The announcements caused an uproar in Australia and the bank's shares plunged.

Thomas A. Dubbs, a lawyer for the plaintiff shareholders, argued Monday that the lawsuit should proceed in the U.S. because the HomeSide executives who committed the alleged fraud "on a nuts and bolts level" were based in the U.S.

The case, Mr. Dubbs said, "has Florida written all over it."

NAB lawyer George Conway said a securities lawsuit shouldn't proceed in U.S. courts when the case involved shares of a foreign issuer that were sold on a foreign exchange.

Countries should be able to set their own laws for shares traded on their exchanges, Mr. Conway said.

He said the case would be different if it involved shares of a foreign company that were purchased on a U.S. exchange.

Both the Australian and U.S. governments filed legal briefs arguing that the U.S. lawsuit against NAB shouldn't be allowed to proceed. The U.S. brief, however, said there may be some cases when similar lawsuits could go forward.

A decision is expected by the end of June.

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Beer battle: Steel Partners vs. Sapporo

You have to give them credit for trying.

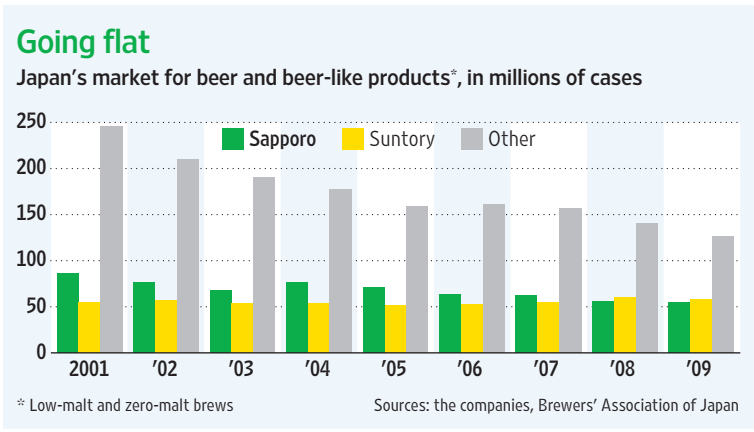
U.S.-based activist fund **Steel Partners** is taking its brawl with Japan's **Sapporo Holdings** to a new level. At the brewer's annual shareholder meeting Tuesday, the fund hopes to replace most of Sapporo's incumbent directors.

This comes after its calls for changes in Sapporo's operations fell on deaf ears, and Steel Partners' bid to raise its holding in the company to one-third, from nearly 18%, failed last year.

The odds are stacked against Steel Partners. In the past, Sapporo's leaned on a large bloc of management-supportive shareholders—including banks that do business with the brewer—to block moves.

But putting even one of its slate of six candidates on the board could help change things. And it is time for a change at Sapporo.

The company is losing market share in Japan, with its sales of beer and malt beverages down 36% by volume since 2001. Critically, it has lost the top spot in premium beer—a category that it pretty much invented in Japan—to rival **Suntory Holdings**. Sapporo's operating margin also lags behind rivals, at 3.3% compared with about 5.6% at **Kirin Holdings** and **Asahi Breweries**.



Moreover, regardless of whether viewed as a brewer or a property company—about half of its operating revenue is from real estate—Sapporo's stock is faring worse than its peers' shares.

Steel Partners is no stranger to losing these battles. Japan Inc. is famous for being able to rally shareholders against activist investors, particularly foreigners like Steel Partners. The fund hasn't always navigated the situation as delicately as is customary in Japan. The guy meant to be Steel Partners' softer foreign face—a banker with nearly two decades of Japan experience—left last year after eleven months.

But it has some things going for it. Including Steel Partners, Sapporo is 32% owned by foreigners who may rally to the fund's side.

Investors looking at past results may be compelled also to give the dissident slate of directors a go. The fund won a sweeping victory last March, getting its entire list of eight on the board of toupe-maker **Aderans Holdings**.

It is too early to tell whether Steel Partners will turn Aderans around, but investors have pushed the company's shares up nearly 57% since the fund's victory last March. Sapporo, and the broader Topix index, are up closer to 17% in the same period.

Sapporo, in its defense, says moves like a capital alliance with beverage maker Pokka, and diversifying into yogurt and chilled food business, will yield returns in the future.

This is a brawl worthy of a barroom.

—James Simms

A small cheer for India's banks as lending grows

Facing rocketing inflation and a profligate government, India's central bank can enjoy at least one bit of good news: The country's banks have at last met its target rate of loan disbursal.

Just in the nick of time, too. In the two weeks ended March 12, bank credit grew 16.05% year on year—finally hitting the Reserve Bank of India's 16% loan-growth target for the year ending Wednesday.

It is a welcome sign: Record-low interest rates mean little if nobody's borrowing. Even as they have loosened the reins on lending in recent months, banks have found demand for credit in India remains weak because of shelved expansion plans and the burden of past borrowings. India Inc.'s balance sheets are the most leveraged in Asia, Citi Investment Research says.

But a pickup in lending will give the central bank the confidence to raise interest rates in its fight against inflation. The bank raised rates by a quarter-point earlier this month. Economists say rates need to rise by an additional 1.75 percentage points to reach a neutral level.

Of course, 16% credit growth is far from the record lending pace India once enjoyed. In the three years to March 2008, bank lending was growing at an average of 30%, and the economy at 9%.

If India's economy is to get back to such rapid growth—in the current year it is projected to grow 7.5%—credit growth has to rise first. This may not be easy.

Banks, wrestling with a rise in bad loans, may cut borrowers off. The borrowers themselves may be discouraged as interest rates continue to rise.

Companies do have alternatives. Domestic bond issuance is running at its highest-ever pace, Dealogic says, and India's relatively buoyant stock market means raising funds by selling equity is a compelling choice. But banks remain the main source of funds.

Admittedly, two weeks of growth above 16% isn't the same as hitting a full-year target. And it is worth noting that the 16% target itself is lower than the 20% the Reserve Bank initially hoped for.

But at least this is one trend that is starting to go the bank's way.

—Harsh Joshi

Political lesson for Rio Tinto

Rio Tinto accepts that four executives sentenced by a Chinese court to between seven and 14 years for bribery and industrial espionage were guilty of at least some of the charges. But the suspicion that the trial and heavy sentences were at least partly politically motivated is worrying for Rio investors, as well as other Western investors in China.

Rio is hardly the first Western multinational to confront bribery within its ranks. The Anglo-Australian miner has fired the employees who had taken bribes from Chinese steel companies wanting preferential terms for buying Rio's iron ore. It strengthened internal controls after their arrests and has rejiggered management of its China business.

China is right to clamp down on rampant corruption in the country. But the severity of the sentences and the lack of detail on the spying charges raise suspicions of a wider political agenda. The four Rio employees, one an Australian national, were arrested shortly after Rio pulled out of a deal with **Aluminum Corp. of China**, the state-owned metals company, which would have given Chinalco two board seats at Rio. The Shanghai trial opened on the day that Rio boss Tom Albanese gave a long-planned speech in Beijing. Rio, along with other mining groups, is currently engaged in fractious negotiations with Beijing over iron-ore pricing.

Rio is confident its relationship with China will survive the bribery scandal. It has just sold it a stake in its Guinea iron-ore project and plans to extend its partnership. But the capriciousness of China's legal system, not least the fact that information in the public domain can be deemed so sensitive that exchanging it counts as spying, should remind Rio that such a partnership comes with an extra level of risk. *—Matthew Curtin*

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MARKETS LINEUP

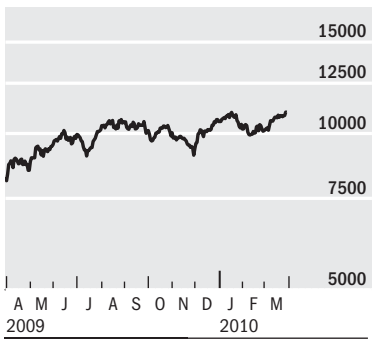
Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Monday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

Asian index movers...

Nikkei Stock Average
Japan 10986.47
▼ 0.09% or 9.90

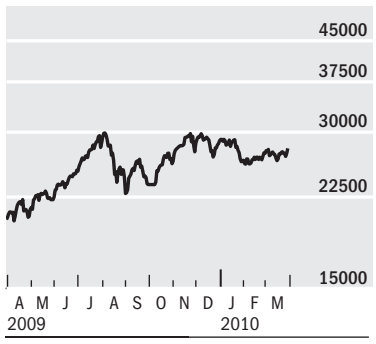
The index snapped a three-day winning streak as shares with high dividend yields, such as Takeda Pharmaceutical and Astellas, fell after going ex-dividend.



Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**290.57**	187	−8	−4.10
Mtshbsh Fin Grp	**102.75**	493	13	2.71
Hitachi	**83.13**	347	15	4.52
Clarion	**48.00**	226	15	7.11
Toshiba	**41.99**	485	6	1.25

CBN 600
China 27919.41
▲ 2.21% or 603.10

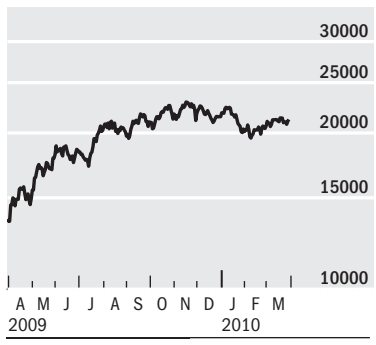
Shares gained amid the planned launch of the country's first stock-index futures. Banks also rose, in part on strong earnings reports by major Chinese lenders in the past week.



Stock	Volume in millions	Close	Change Net	Change %
Metallurgical Cn	**515.91**	5.21	0.36	7.42
China State Con	**426.38**	4.37	0.14	3.31
Icbc	**295.87**	5.01	0.11	2.24
ChinaMinshengBkg	**280.49**	7.77	0.29	3.88
Bank Of China	**183.68**	4.36	0.13	3.07

Hang Seng
Hong Kong 21237.43
▲ 0.88% or 184.32

Shares finished higher, supported by gains in China on expectations the launch of stock-index futures scheduled for April 16 will increase demand for blue chips.



Stock	Volume in millions	Close	Change Net	Change %
Bank Of China	**308.76**	4.07	0.08	2.01
CCB	**268.81**	6.15	0.06	0.99
Icbc	**200.04**	5.75	0.05	0.88
ChinaPetroChem	**108.50**	6.34	−0.04	−0.63
PetroChina	**78.31**	8.89	0.14	1.60

Straits-Times
Singapore 2929.14
▲ 0.79% or 22.86

Noble Group slipped after RBS cut its trade recommendation to hold from buy and lowered its target price. Palm-oil stock Golden Agri-Resources extended Friday's rebound.

Stock	Volume in millions	Close	Change Net	Change %
Golden Agri	**59.02**	0.55	0.01	0.92
Genting Spore	**28.63**	0.92	unch	...
Noble Grp	**24.92**	3.15	−0.03	−0.94
Sing Telecom	**18.00**	3.27	0.07	2.19
Sembcorp Marine	**9.58**	4.25	0.17	4.17

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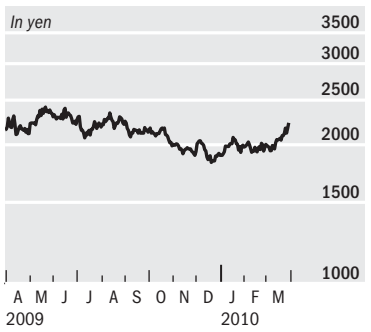
Asian stocks in the news

Seven & I Hldgs
Japan ¥2,232
▲ 2.9% or ¥62

The firm rose after Morgan Stanley upgraded the shares to overweight and raised the price target.



Price-to-earnings ratio	**51**
Earnings per share, past four quarters	**44.10**
Dividend yield	**2.5**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Retail	**0.3%**	-1.1%	51.9%
Seven & I Hldgs	**2.9%**	6.6%	3.6%

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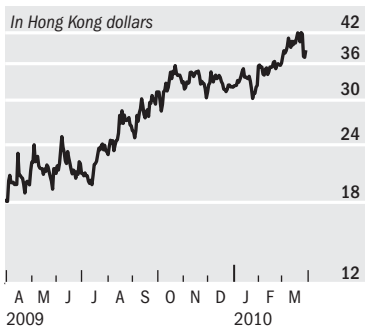
Li & Fung
Hong Kong HK$38.50
▲ 3.6% or HK$1.35

The trading firm's shares gained on bargain hunting after dropping 11% in the previous two sessions.

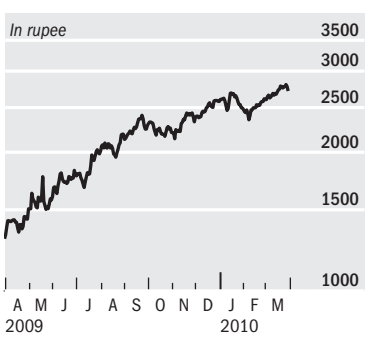


Price-to-earnings ratio	**42**
Earnings per share, past four quarters	**0.91**
Dividend yield	**1.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Personal & Hshld Gds	**-0.2%**	0.4%	47.6%
Li & Fung	**3.6%**	-4.1%	113.9%

Infosys Techs
India 2,715.65 rupee
▼ 2.2% or 61.95 rupee

Software-services exporters slid after the Indian rupee rose to an 18-month high against the dollar.

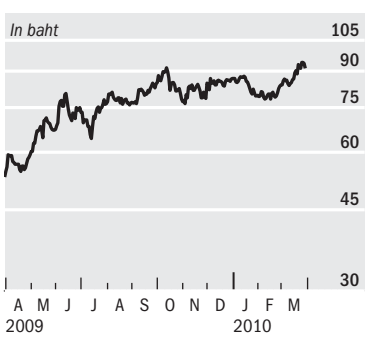


Price-to-earnings ratio	**25**
Earnings per share, past four quarters	**109.41**
Dividend yield	**0.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Technology	**0.1%**	1.2%	68.3%
Infosys Techs	**-2.2%**	-1.5%	109.2%

Siam Comml Bk
Thailand 91.3 baht
▼ 2.4% or 2.3 baht

The firm's shares slipped as banking stocks were among the leading decliners.



Price-to-earnings ratio	**15**
Earnings per share, past four quarters	**6.11**
Dividend yield	**2.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**0.9%**	1.7%	55.8%
Siam Comml Bk	**-2.4%**	-0.8%	72.2%

Hyundai Eng & Con
Korea 63,100 won
▼ 3.1% or 2,000 won

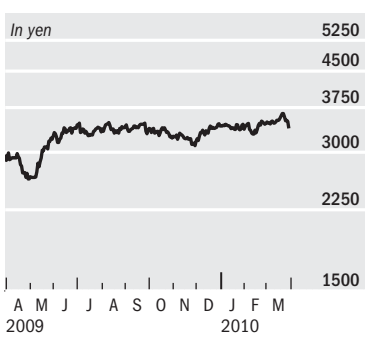
Shares fell as investors booked profits in recent gainers, including construction firms.

Price-to-earnings ratio	**15**
Earnings per share, past four quarters	**4111.18**
Dividend yield	**1.0**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Constructn & Matl	**0.4%**	0.5%	62.7%
Hyundai Eng & Con	**-3.1%**	-3.2%	11.3%

Eisai
Japan ¥3,380
▼ 3.4% or ¥120

Drug shares weakened as ex-dividend selling gripped high dividend yield stocks.



Price-to-earnings ratio	**25**
Earnings per share, past four quarters	**135.90**
Dividend yield	**4.4**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Health Care	**-0.9%**	-1.4%	38.0%
Eisai	**-3.4%**	-7.1%	14.0%

Mizuho Financial Grp
Japan ¥187
▼ 4.1% or ¥8

The company was among several high-yielding nondrug shares that also experienced heavy selling.

Price-to-earnings ratio	**14**
Earnings per share, past four quarters	**13.00**
Dividend yield	**4.3**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**0.9%**	1.7%	55.8%
Mizuho Financial Grp	**-4.1%**	-2.6%	-5.1%

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